



Investment Reports

Quarterly Report - September 30, 2005

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Dated: October 19, 2005

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Commingled Trust Fund (CTF)

Quarterly Report - September 30, 2005

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Capital Markets

- ❖ The Dow Jones Wilshire 5000 index returned 4.0 percent for the quarter, making the 1 year return to 14.69 percent.
- ❖ Small cap, as measured by the Russell 2000, earned 4.7 percent for the quarter, outperforming large cap (Russell 1000) by 74 basis points. Small cap also outperformed large cap for the 1 year, earning 18.0 percent compared to large cap at 14.3 percent.
- ❖ For two quarters in a row growth outperformed value by 40 basis points (4.2 versus 3.8 percent) using the Russell 3000 series. But on a yearly basis, growth underperformed value by more than 332 basis points.
- ❖ The non-U.S. equity market, as measured by the MSCI ACWI ex U.S., outperformed the U.S. equity market by 780 basis points. Of the 48 countries in the MSCI ACWI ex U.S. Index, all but four had positive returns for the quarter in U.S. dollars and only three had negative returns when measured in local currency. The lowest returning country, Venezuela, was at - 11.5 percent in U.S. dollars, and the highest returning country, Argentina, was at 49.4 percent.
- ❖ In the Lehman indices, emerging markets had the highest return for both the quarter and year earning 4.5 and 15.1 respectively. For the quarter, the short end of the curve outperformed the long end with the 3 month T-Bill earning 0.8 percent and the 30 year treasury bonds losing 3.9 percent.
- ❖ For the third quarter of 2005, the best performers in the NCREIF were office, at 5.1 percent, and the Western region, at 4.8 percent. Total return for the index was 4.4 percent.
- ❖ GDP grew at a rate of 3.6 percent (annualized) for the quarter. Inflation, as measured by CPI, was up 2.3 percent, the largest quarterly increase since June 1982.
- ❖ The Fed raised the federal funds rate 25 basis points two times during the quarter, increasing the rate from 3.25 percent to 3.75 percent.

Total Fund

- ❖ The CTF increased in size during the quarter growing approximately \$2 billion to almost \$49.4 billion.
- ❖ For the year-to-date the fund has grown by over \$3.2 billion dollars.

Asset Allocation

- ❖ The majority of the asset classes in the CTF finished the quarter within their long-term targets with the exception of real estate which was slightly below the range. For the quarter, \$400 million was transferred from U.S. Equity to fund participant withdrawals and net Real Estate purchases.

Investment Return

- ❖ The CTF's return for the third quarter of 2005 was a positive 4.9 percent, bringing the one-year return to 17.2 percent.
- ❖ The fund outperformed both TUCS benchmarks for all the time periods shown but underperformed the MAP benchmark for the 3 year and underperformed the Structural benchmark for the quarter.

U.S. Equity

- ❖ The WSIB U.S. equity portfolio slightly outperformed the Dow Jones Wilshire 5000 for the quarter, one-, three-, five- and ten-year periods, well within the expected tracking error.

Non-U.S. Equity

- ❖ The WSIB non-U.S. equity portfolio underperformed the passive benchmark for the quarter by 23 basis points but outperformed for the one-year period by 5 basis points. The WSIB portfolio continues to have positive long-term performance for the five-year, but the ten-year continues to underperform slightly.
- ❖ Seven of the ten developed managers outperformed for the quarter. Eight of the ten managers are outperforming for one-year. Mondrian continues to outperform by more than 800 basis points on an annualized basis for the five-year period.
- ❖ Two of the three emerging market managers outperformed for the quarter; only one, GMO, outperformed for the year. Of the two emerging market managers who have five years of performance history with the WSIB, only one has outperformed the benchmark.

Fixed Income

- ❖ The WSIB outperformed the Lehman Universal by 40 basis points for the quarter and 31 basis points for the year. Over the longer time frames, one-, three-, five-, and ten-year the WSIB portfolio continues to outperform both the Lehman Universal and the Lehman Aggregate.

Private Equity

- ❖ The WSIB private equity return for the quarter ended June 30, 2005, was 9.2 percent. The one-year return was 31.3 percent, higher than the benchmark, S&P 500 plus 500 basis points, at 11.3 percent.
- ❖ The WSIB LP portfolio returned 10.5 percent, and the WSIB KKR portfolio returned 5.2 percent for the quarter.
- ❖ As of June 30, 2005, there were \$5.0 billion in open commitments.

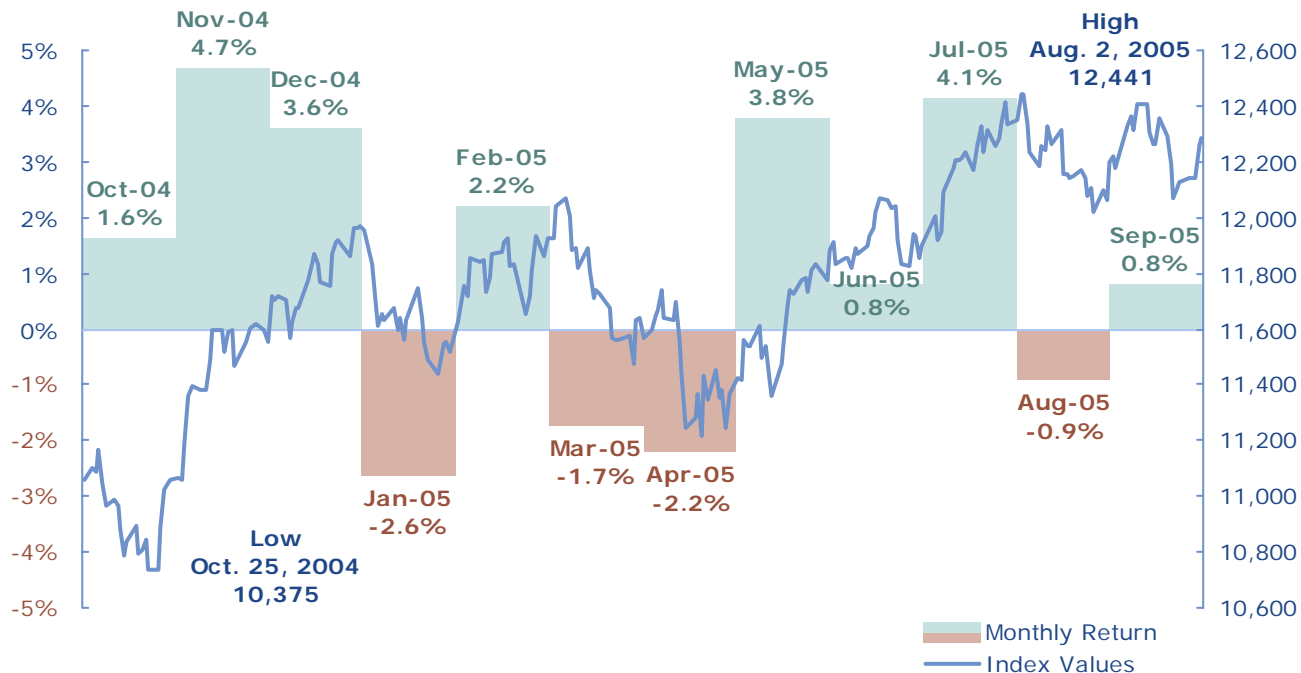
Real Estate

- ❖ The WSIB Real Estate return for the quarter ended, June 30, 2005, was 3.6 percent, lower than the NCREIF plus 100 basis point index of 5.6 percent. For the one-year period, the return of 24.0 percent was 500 basis points above the NCREIF plus 100 basis point index of 19.0 percent.
- ❖ As of June 30, 2005, there were \$4.5 billion in open commitments.

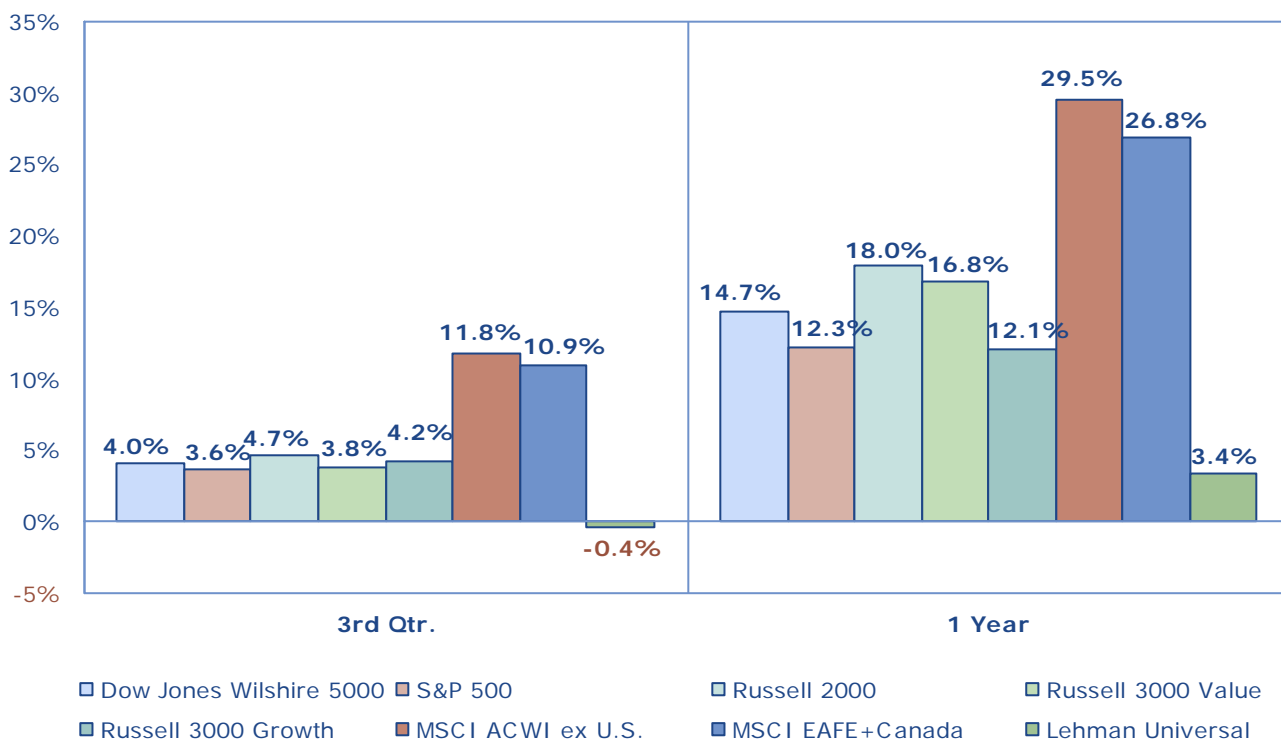


Dow Jones Wilshire 5000

September 30, 2004 - September 30, 2005

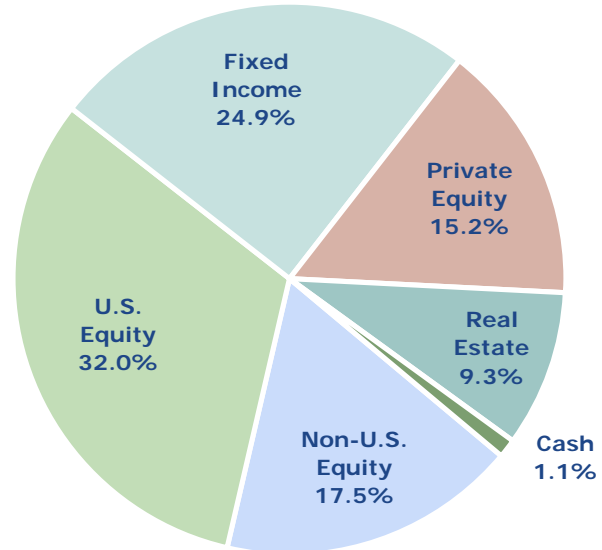


Capital Market Returns

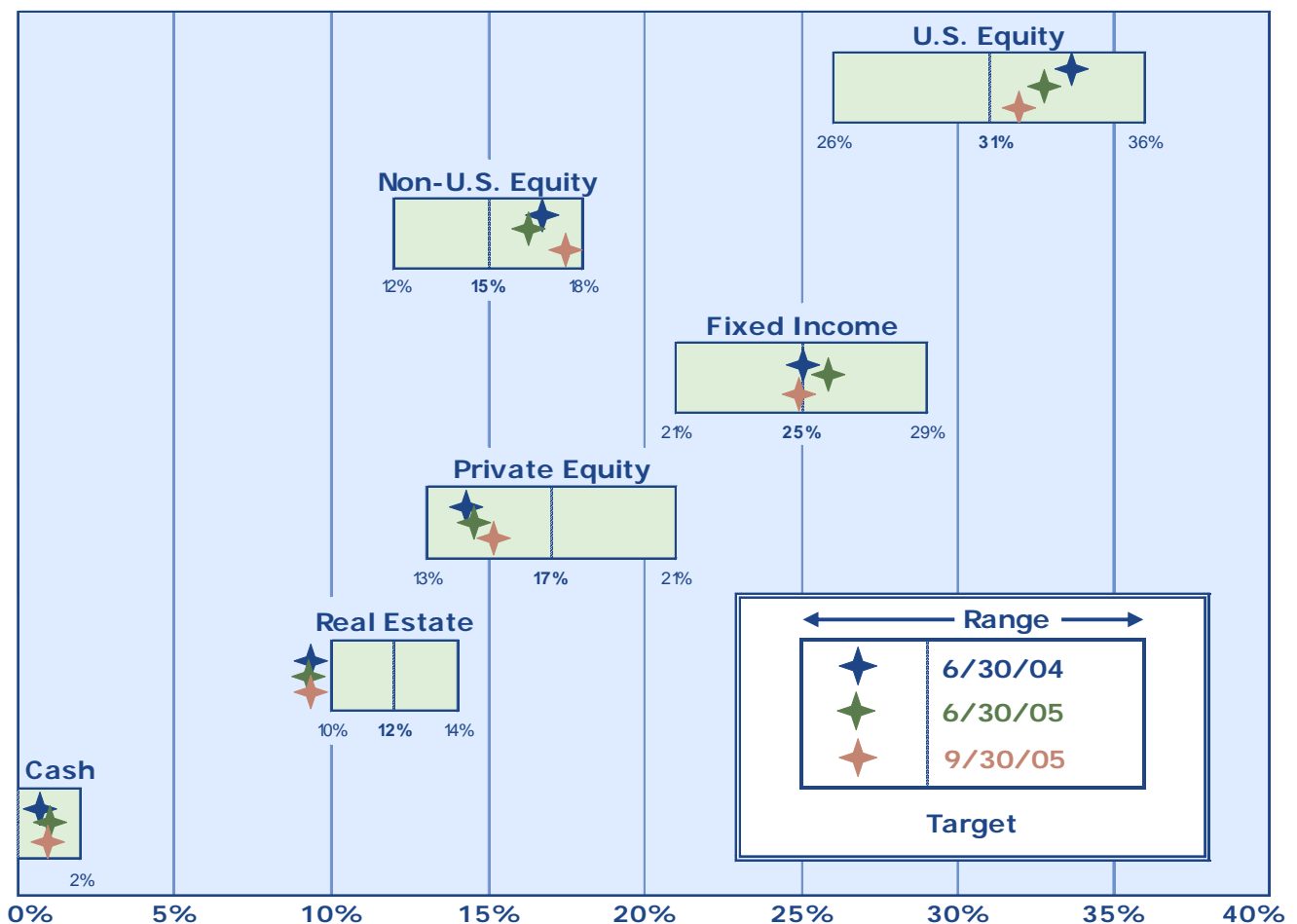




| Asset Class | Market Value (000s) |
|-------------------|----------------------|
| U.S. Equity | \$ 15,801,164 |
| Non-U.S. Equity | 8,651,041 |
| Fixed Income | 12,304,021 |
| Private Equity | 7,494,084 |
| Real Estate | 4,591,566 |
| Cash | 513,138 |
| Total Fund | \$ 49,355,013 |



Current Allocation Versus Long-Term Targets and Policy Ranges





Market Values and Net Investment Performance - Lagged¹

Quarter Ended September 30, 2005

Market Values in \$000s

| | | | Qtr. | FYTD | 1 Year | 3 Year | 5 Year | 10 Year |
|--|----------------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Total Fund | \$ 49,355,013 | 100.0% | 4.90 % | 4.90 % | 17.23 % | 15.20 % | 4.69 % | 9.62 % |
| MAP Benchmark ² | | | 4.06 | 4.06 | 13.95 | 16.35 | 2.53 | 8.27 |
| Structural Benchmark ³ | | | 4.98 | 4.98 | 16.56 | 14.84 | 4.14 | 9.22 |
| TUCS Public Fund >\$1B Median ⁴ | | | 4.04 | 4.04 | 13.69 | 14.81 | 4.42 | 8.57 |
| TUCS Public/Corporate Fund >\$1B Median ⁴ | | | 4.13 | 4.13 | 14.48 | 15.18 | 4.42 | 9.14 |
| U.S. Equity | \$ 15,801,164 | 32.0% | 4.05 % | 4.05 % | 14.74 % | 18.54 % | -0.43 % | 9.51 % |
| Dow Jones Wilshire 5000 | | | 4.03 | 4.03 | 14.69 | 18.45 | -0.53 | 9.44 |
| S&P 500 | | | 3.61 | 3.61 | 12.25 | 16.72 | -1.49 | 9.49 |
| Non-U.S. Equity | \$ 8,651,041 | 17.5% | 11.50 % | 11.50 % | 29.53 % | 26.31 % | 5.19 % | 6.51 % |
| MSCI ACWI ex U.S. | | | 11.83 | 11.83 | 29.48 | 27.19 | 4.81 | 6.61 |
| MSCI EAFE | | | 10.38 | 10.38 | 25.79 | 24.62 | 3.16 | 5.83 |
| Fixed Income | \$ 12,304,021 | 24.9% | -0.03 % | -0.03 % | 3.68 % | 5.27 % | 7.49 % | 7.00 % |
| Lehman Universal | | | -0.44 | -0.44 | 3.37 | 4.96 | 6.90 | 6.73 |
| Cash | \$ 513,138 | 1.1% | 0.98 % | 0.98 % | 2.82 % | 1.77 % | 1.99 % | 3.64 % |
| 90 Day T-Bills | | | 0.83 | 0.83 | 2.62 | 1.68 | 2.49 | 3.94 |
| Private Equity⁵ | \$ 7,494,084 | 15.2% | 9.21 % | 9.21 % | 31.34 % | 15.51 % | 4.50 % | 15.40 % |
| S&P 500 + 500 bp lagged one quarter | | | 2.60 | 2.60 | 11.32 | 13.28 | 2.63 | 14.94 |
| Real Estate⁵ | \$ 4,591,566 | 9.3% | 3.63 % | 3.63 % | 24.03 % | 15.15 % | 13.70 % | 16.16 % |
| NCREIF + 100 bp lagged one quarter | | | 5.59 | 5.59 | 19.02 | 13.08 | 11.63 | 12.37 |
| CPI | | | 2.27 % | 2.27 % | 4.69 % | 3.16 % | 2.72 % | 2.63 % |

¹ Performance figures are net of manager fees but before all other expenses.

² Currently 60% Dow Jones Wilshire 5000, 25% Lehman Universal, and 15% MSCI ACWI ex U.S. Over time the benchmark has been adjusted by changing the Lehman Aggregate to the Universal and by reducing Lehman from 30% and raising the Dow Jones Wilshire 5000 from 54%.

³ Uses previous quarter's actual allocation in calculating performance.

⁴ TUCS returns have been adjusted to reflect fees equivalent to those incurred by the WSIB (6.5 bp over one, three, and five years and 10 bp for ten years).

⁵ Private equity and real estate use June 30, 2005, market values, plus cash flows for the third quarter of 2005. For compositing purposes the private equity return is calculated using geometrically linked quarterly IRRs. For true IRR return please see PCG's quarterly report.



Market Values in \$000s

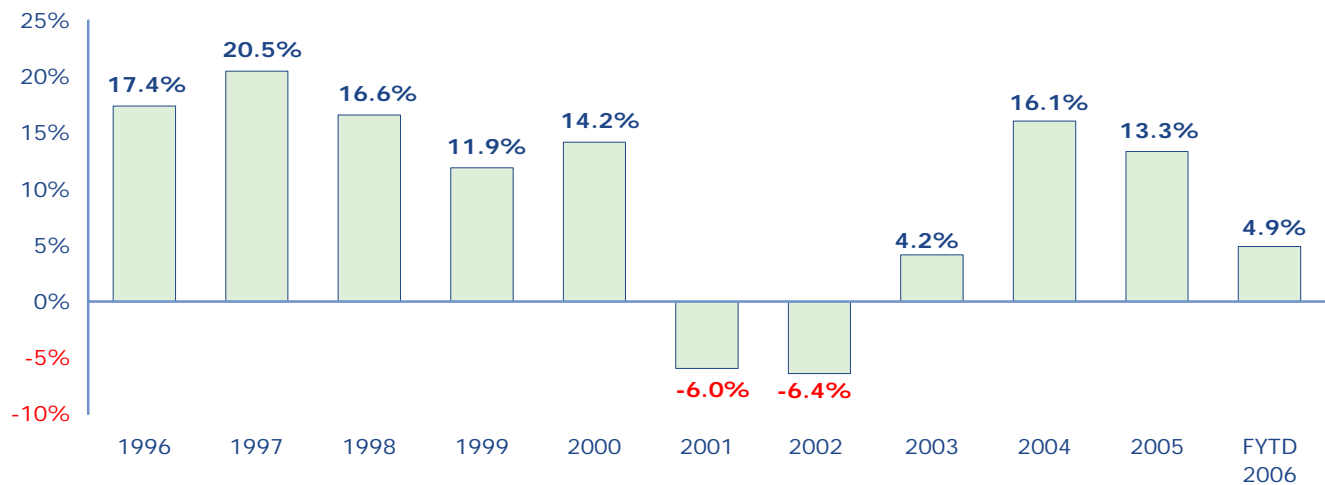
CTF Market Value: **\$ 49,355,013**

Net Change this Quarter: **\$ 1,893,245**

Net Change for Fiscal Year: **\$ 1,893,245**

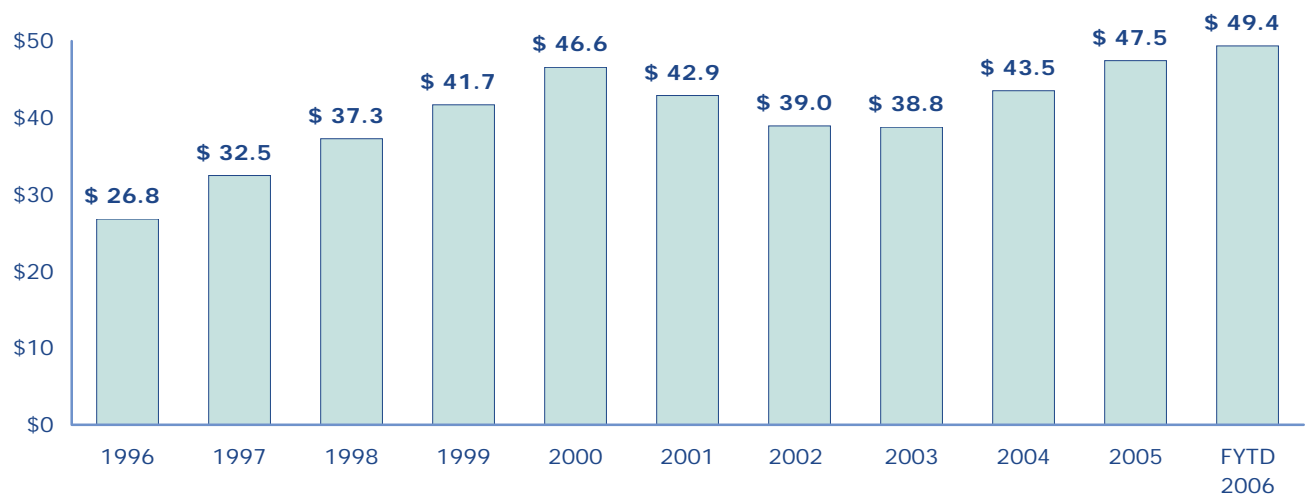
Annual Performance

Fiscal Years Ended June 30



Assets Under Management (\$ Billions)

Fiscal Years Ended June 30





Market Values in \$000s

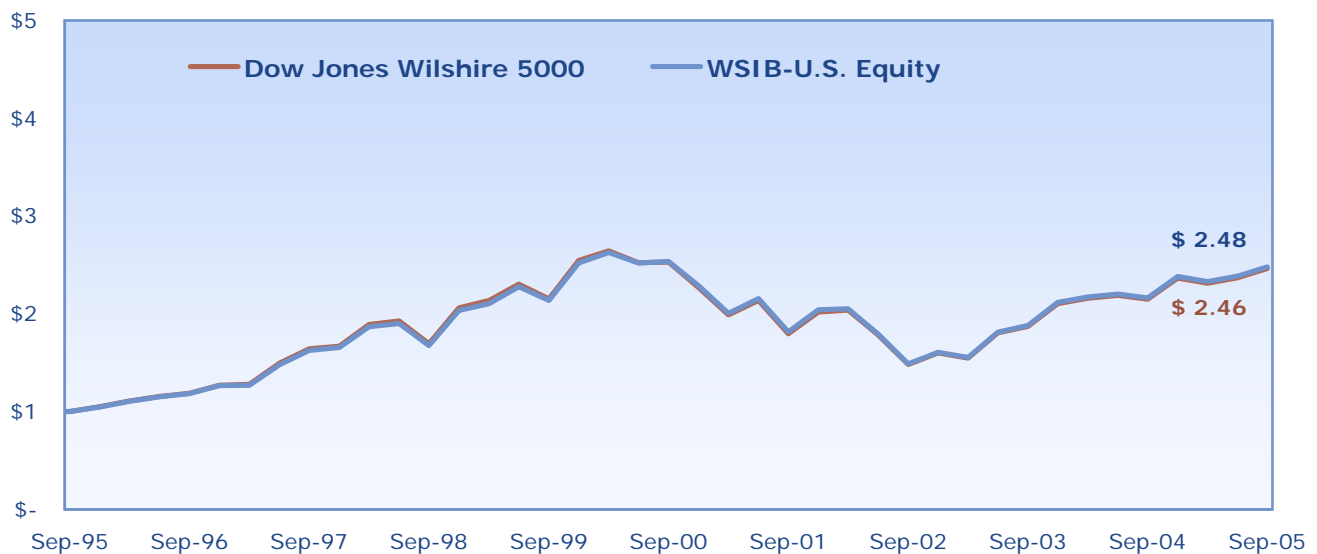
Market Value: \$15,801,164**Ten Largest Holdings** (3,981 total holdings versus 4,967 in the index)

| | | | |
|------------------------------|-------|------------------------------|-------|
| Exxon Mobil Corp. | 2.85% | Pfizer Inc. | 1.31% |
| General Electric Co. | 2.52% | Bank Of America Corp. | 1.20% |
| Microsoft Corp. | 1.74% | Altria Group, Inc. | 1.09% |
| Citigroup Inc. | 1.67% | Intel Corporation | 1.07% |
| Johnson & Johnson | 1.32% | Chevron Corp. | 1.05% |

The top ten companies represent almost 15.8% of the portfolio, the top 100 approximately 50.9%

Performance

| | Qtr. | FYTD | 1 Year | 3 Year | 5 Year | 10 Year |
|-------------------------|---------------|---------------|----------------|----------------|----------------|----------------|
| WSIB U.S. Equity | 4.05 % | 4.05 % | 14.74 % | 18.54 % | -0.43 % | 9.51 % |
| Dow Jones Wilshire 5000 | 4.03 | 4.03 | 14.69 | 18.45 | -0.53 | 9.44 |
| S & P 500 | 3.61 | 3.61 | 12.25 | 16.72 | -1.49 | 9.49 |
| Russell 3000 | 4.01 | 4.01 | 14.57 | 18.13 | -0.72 | 9.54 |

Growth of a Dollar

Market Values in \$000s

Market Value: \$8,651,041

The portfolio has 2,434 holdings versus 2,061 in the index. The top ten holdings represent about 10.2 percent of the portfolio and the top 100 approximately 44.5 percent. The portfolio has exposure to 61 countries: 22 developed, 25 emerging, and 14 other (as defined by MSCI AWCI ex U.S.).

Ten Largest Exposures by Country

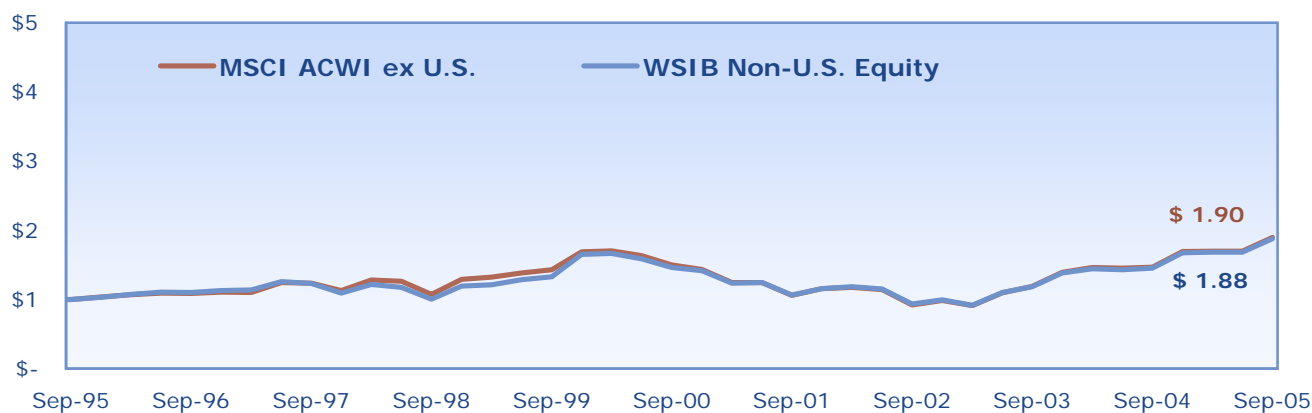
| | CTF Weight | Index Weight | | CTF Weight | Index Weight |
|-----------------------|------------|--------------|--------------------|------------|--------------|
| Japan | 18.93% | 19.18% | Switzerland | 4.54% | 5.44% |
| United Kingdom | 18.33% | 20.40% | Australia | 4.33% | 4.43% |
| France | 8.77% | 7.75% | Spain | 3.83% | 3.21% |
| Germany | 6.13% | 5.57% | Netherlands | 2.96% | 2.63% |
| Canada | 4.94% | 6.32% | Italy | 2.95% | 3.11% |

The ten largest country exposures comprise 75.7% of the portfolio versus the index at 78.0%.

Performance

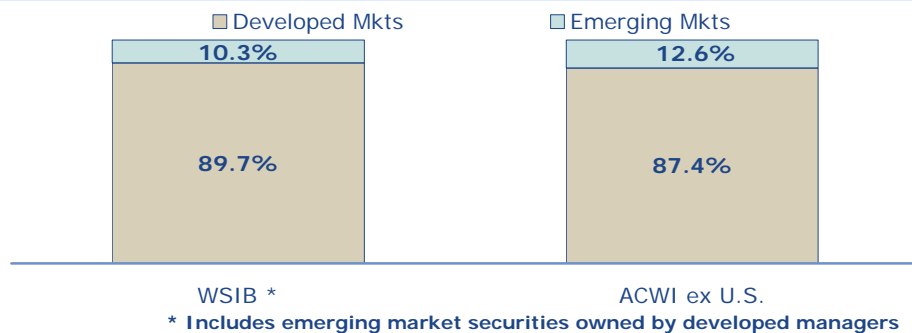
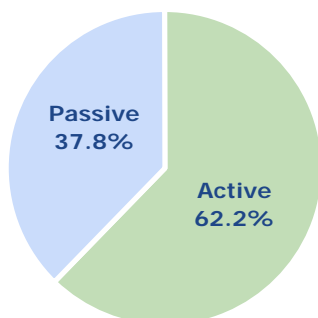
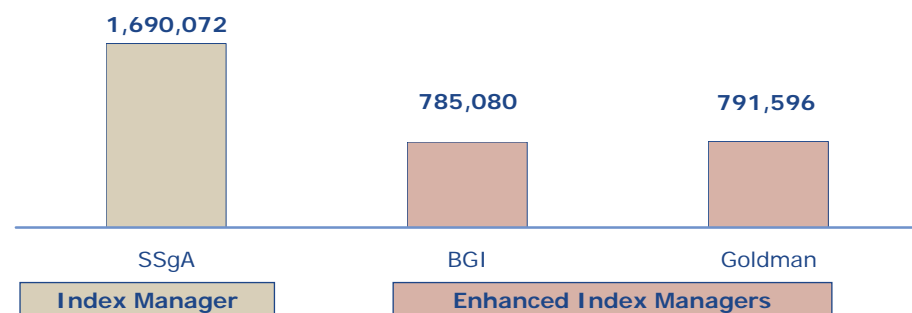
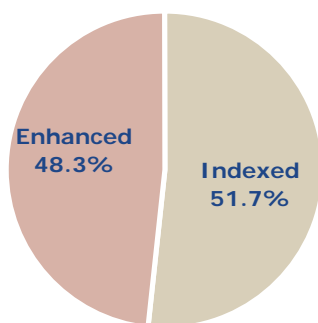
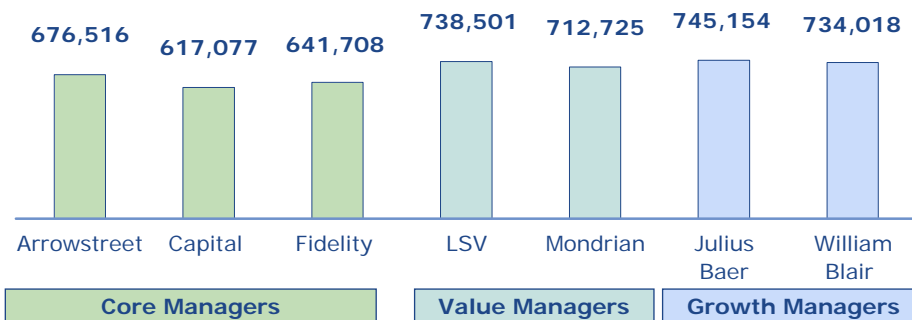
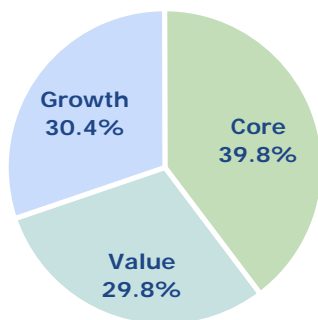
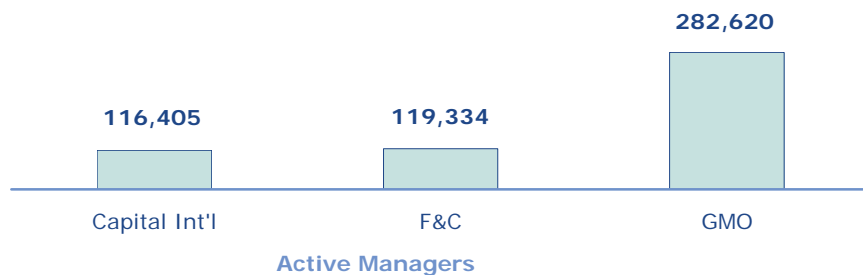
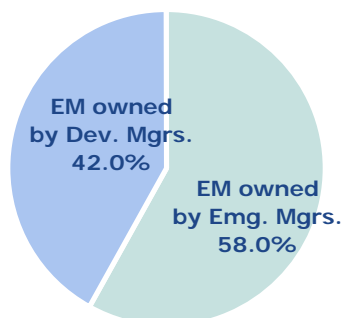
| | Qtr. | FYTD | 1 Year | 3 Year | 5 Year | 10 Year |
|---|----------------|----------------|----------------|----------------|---------------|---------------|
| WSIB Non-U.S. Equity | 11.50 % | 11.50 % | 29.53 % | 26.31 % | 5.19 % | 6.51 % |
| MSCI ACWI ex U.S. | 11.83 | 11.83 | 29.48 | 27.19 | 4.81 | 6.61 |
| MSCI EAFE+Canada | 10.92 | 10.92 | 26.82 | 25.35 | 3.40 | 6.12 |
| Emerging Markets (MSCI after 6/02; IFC before) | 17.95 | 17.95 | 46.58 | 39.10 | 15.49 | 6.95 |
| MSCI Europe | 7.74 | 7.74 | 24.41 | 25.84 | 3.69 | 9.53 |
| MSCI Pacific Basin | 16.45 | 16.45 | 28.70 | 21.66 | 1.93 | 0.73 |

Growth of a Dollar



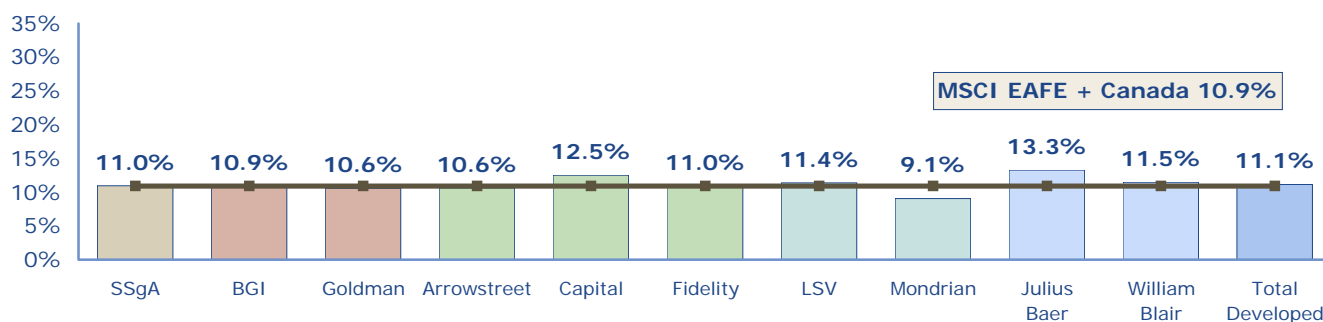


Market Values in \$000s

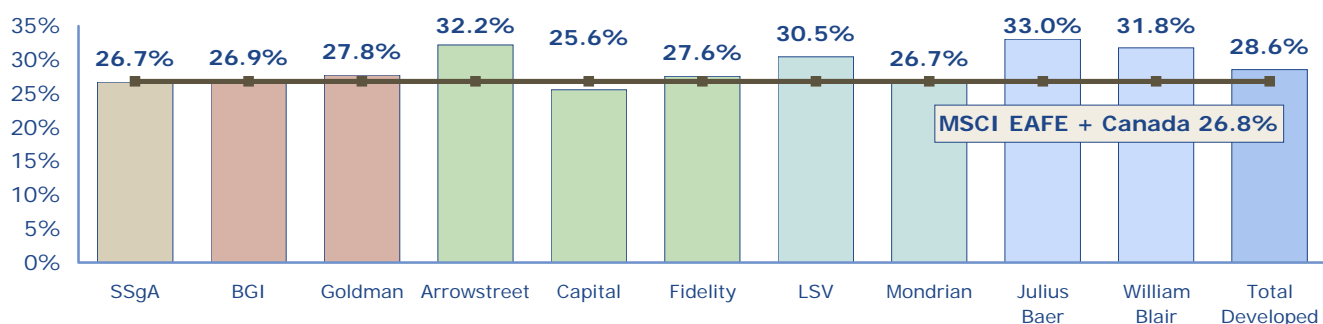
Total Non-U.S. Equity: \$ 8,651,041**Passive Developed Managers: \$ 3,266,748****Active Developed Managers: \$ 4,865,699****Emerging Managers: \$ 518,360**



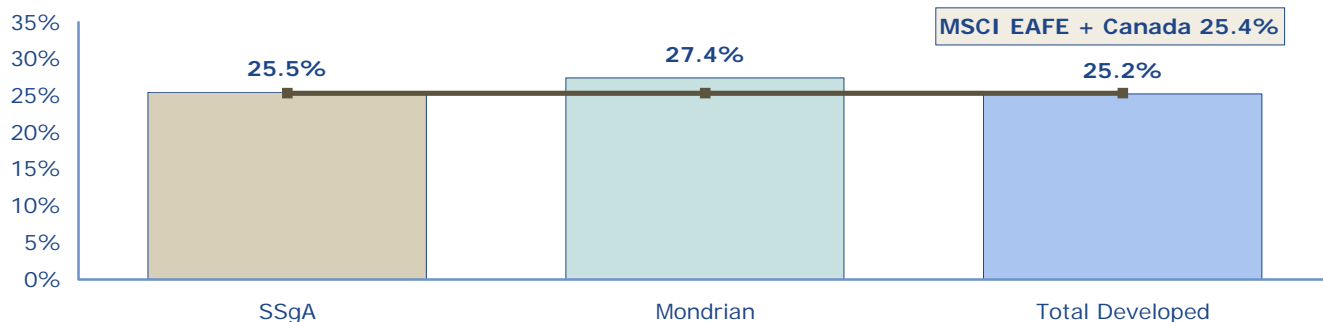
One Quarter Ended September 30, 2005



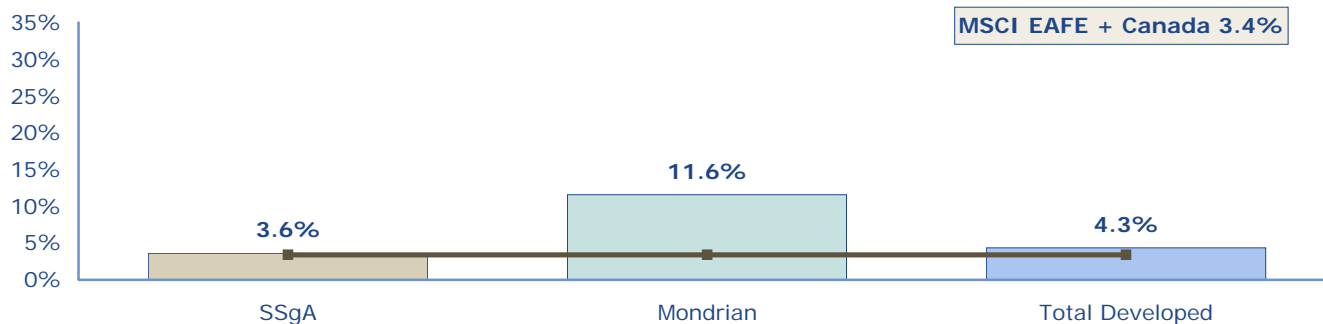
One Year Ended September 30, 2005



Three Years Ended September 30, 2005

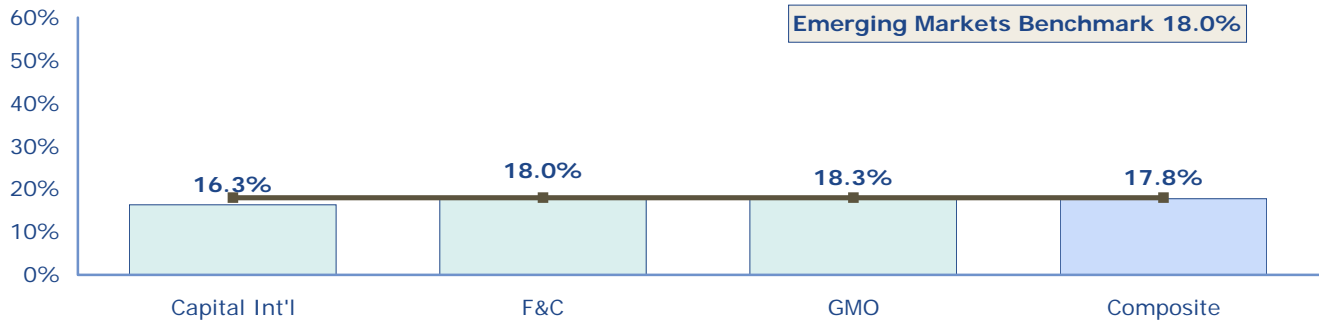


Five Years Ended September 30, 2005

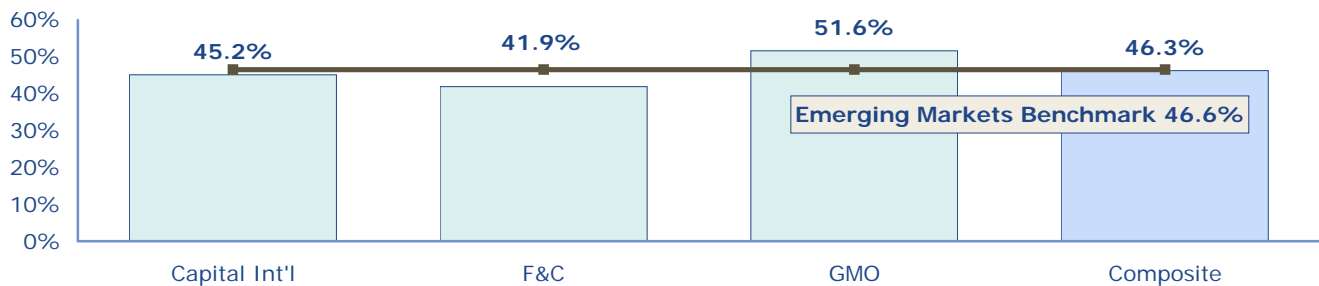




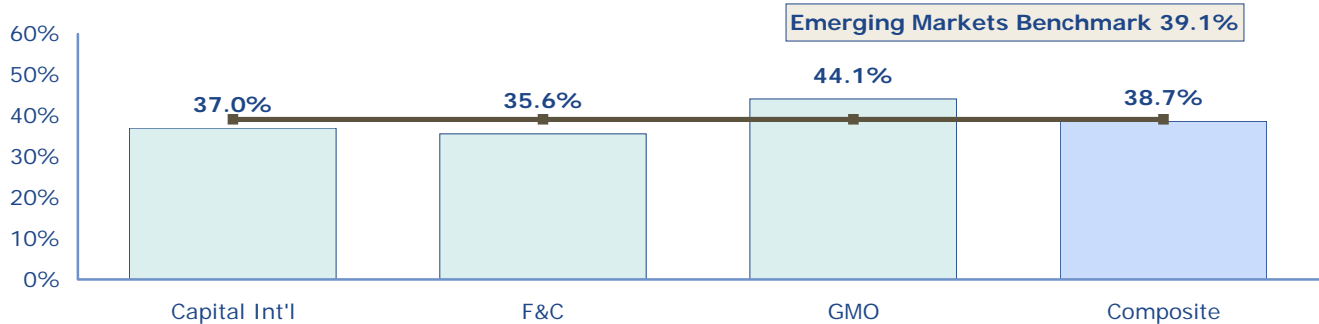
One Quarter Ended September 30, 2005



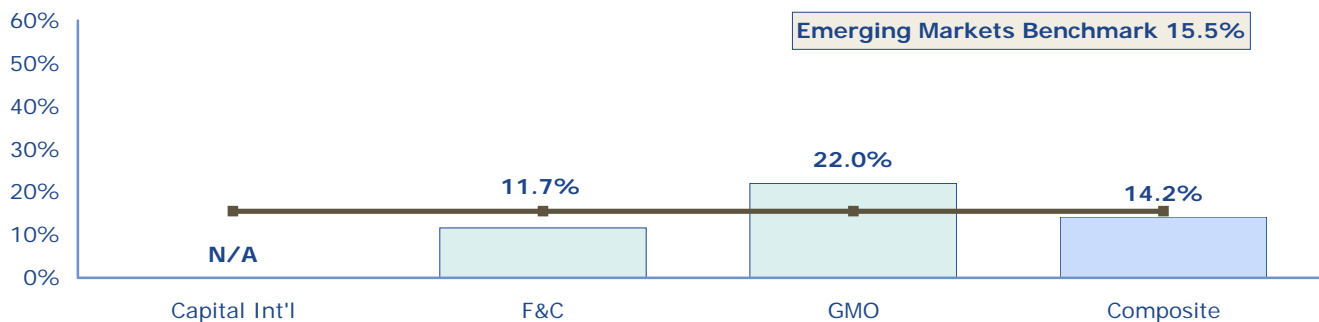
One Year Ended September 30, 2005



Three Years Ended September 30, 2005



Five Years Ended September 30, 2005



Market Values in \$000s

Market Value: \$ 12,304,021

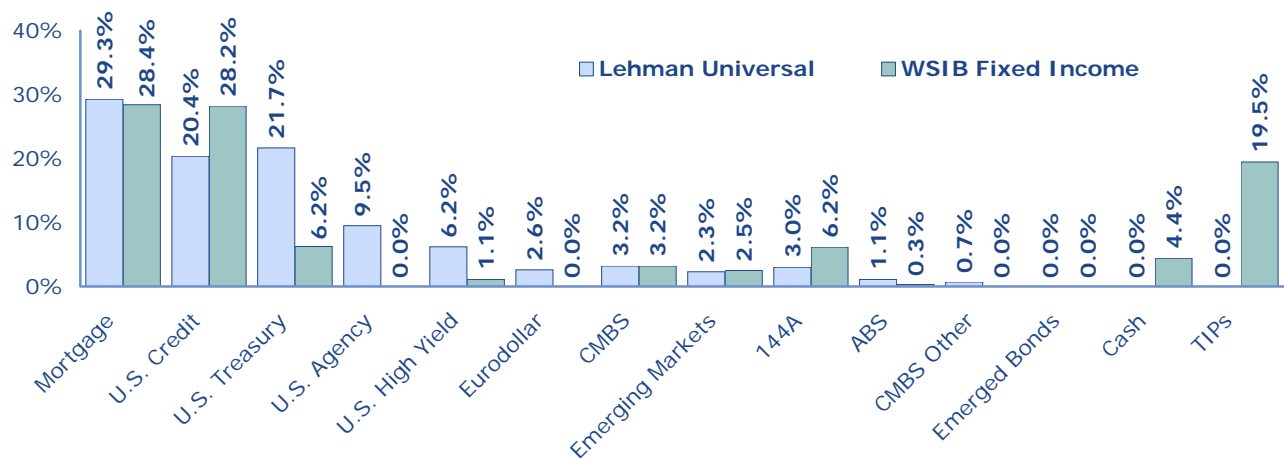
Duration

| | Jun-05 | Sep-05 |
|-----------------------|---------------|---------------|
| WSIB Portfolio | 3.94 | 4.32 |
| Lehman Universal | 4.26 | 4.51 |
| Difference | -7.51% | -4.21% |

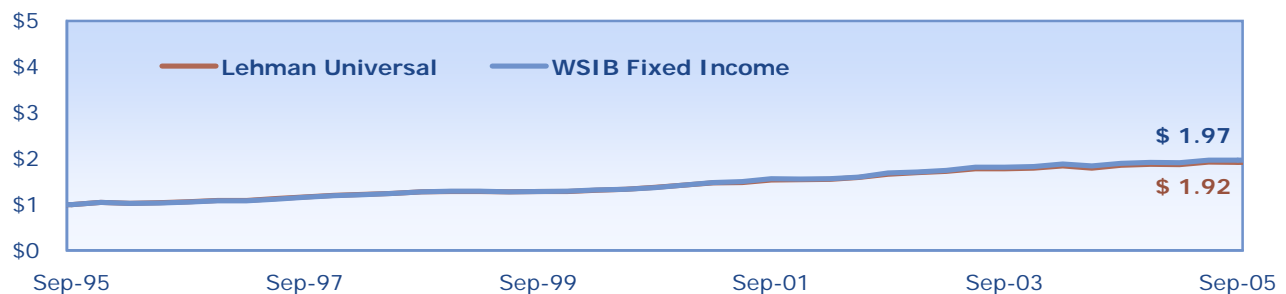
Performance

| | Qtr. | FYTD | 1 Year | 3 Year | 5 Year | 10 Year |
|--------------------------|----------------|----------------|---------------|---------------|---------------|---------------|
| WSIB Fixed Income | -0.03 % | -0.03 % | 3.68 % | 5.27 % | 7.49 % | 7.00 % |
| Lehman Universal | -0.44 | -0.44 | 3.37 | 4.96 | 6.90 | 6.73 |
| Lehman Aggregate | -0.67 | -0.67 | 2.80 | 3.96 | 6.62 | 6.55 |

Sector Weighting



Growth of a Dollar



Market Values in \$000s

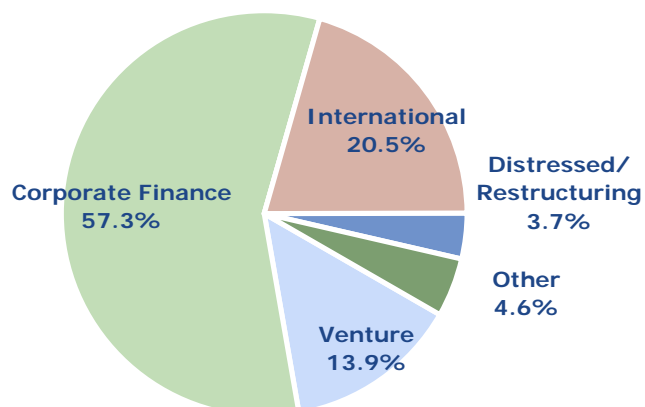
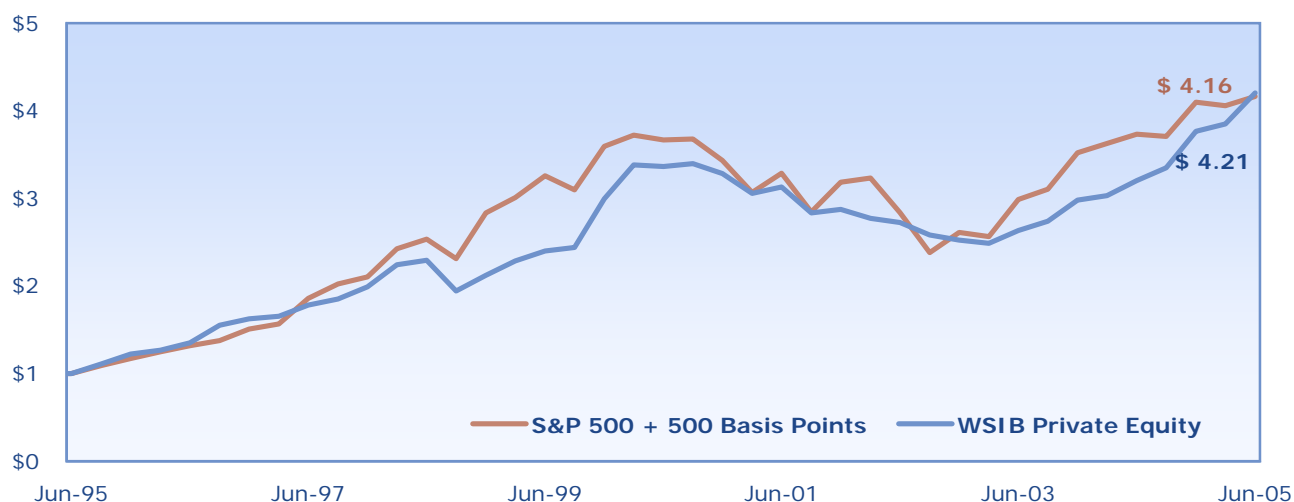
Market Value: \$7,494,084
Unfunded Commitments: \$5.0 billion
Net Performance as of June 30, 2005

| | Qtr. | FYTD | 1 Year | 3 Year | 5 Year | 10 Year |
|----------------------------|--------------|--------------|---------------|---------------|--------------|---------------|
| WSIB Private Equity | 9.21% | 9.21% | 31.34% | 15.51% | 4.50% | 15.40% |
| KKR | 5.17% | 5.17% | 45.86% | 17.34% | 7.00% | 13.64% |
| LP Portfolio | 10.54% | 10.54% | 27.26% | 15.09% | 3.96% | 16.32% |
| S&P 500+500 bp | 2.60% | 2.60% | 11.32% | 13.28% | 2.63% | 14.94% |

Return is calculated using geometrically linked quarterly IRRs. For true IRR return please see PCG's quarterly report.

Partnerships
Sector Distribution

201 Partnerships
93 Private Equity General Partners


Growth of a Dollar


Market Values in \$000s

Market Value: \$4,591,566
Unfunded Commitments \$4.5 billion

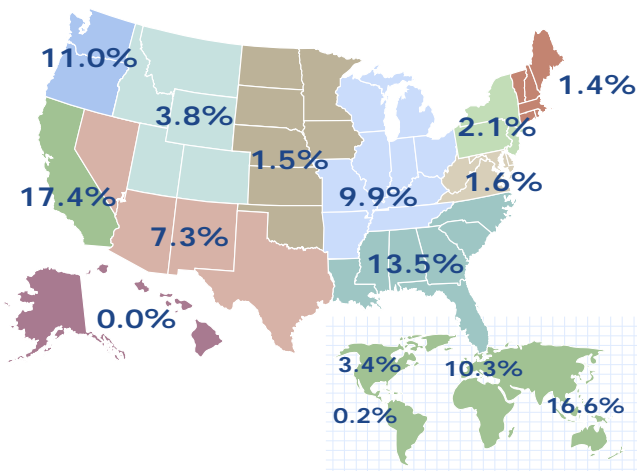
Net Performance as of June 30, 2005

| | Qtr. | FYTD | 1 Year | 3 Year | 5 Year |
|------------------------|--------------|--------------|---------------|---------------|---------------|
| CTF Real Estate | 3.63% | 3.63% | 24.03% | 15.15% | 13.70% |
| NCREIF + 100 bp | 5.59% | 5.59% | 19.02% | 13.08% | 11.63% |

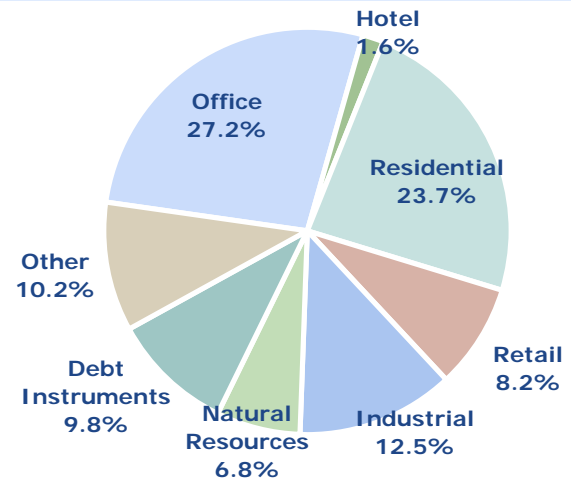
Largest Managers

| | |
|--|-------|
| Principal Enterprise Capital (PEC) | 17.7% |
| Hometown America | 15.7% |
| Hudson Advisors (LoneStar) | 14.1% |
| Pacific Realty Associates, L.P. (PacSIB, PacTrust) | 8.8% |
| Morgan Stanley | 8.5% |
| Representation in the Real Estate portfolio | 64.8% |

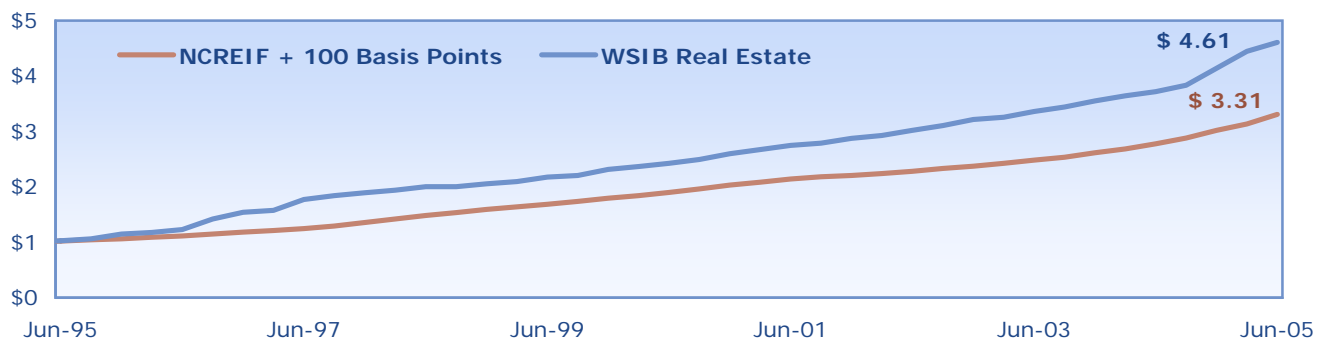
Geographical Distribution



Property Type Distribution



Growth of a Dollar





Numbers in %

| | Qtr. | FYTD | 1 Year | 3 Year | 5 Year | 10 Year |
|--------------------------|-------------|-------------|--------------|--------------|--------------|-------------|
| S&P 500 Index | 3.61 | 3.61 | 12.25 | 16.72 | -1.49 | 9.49 |

U.S. Equity

| | | | | | | |
|------------------------------|-------------|-------------|--------------|--------------|--------------|-------------|
| Barclays Global Investors | 4.05 | 4.05 | 14.74 | 18.54 | -0.43 | |
| U.S. Equity Composite | 4.05 | 4.05 | 14.74 | 18.54 | -0.43 | 9.51 |

Non-U.S. Equity

Developed Markets

| | | | | | | |
|-------------------------------|-------|-------|-------|-------|-------|--|
| State Street Global Advisors | 10.95 | 10.95 | 26.69 | 25.47 | 3.63 | |
| Barclays Global Investors | 10.92 | 10.92 | 26.89 | | | |
| Goldman Sachs Asset Mgt. | 10.58 | 10.58 | 27.76 | | | |
| Arrowstreet Capital, L.P | 10.63 | 10.63 | 32.21 | | | |
| Fidelity Management Trust Co. | 10.96 | 10.96 | 27.56 | | | |
| Capital Guardian Trust Co. | 12.53 | 12.53 | 25.57 | | | |
| Mondrian Investment Partners | 9.05 | 9.05 | 26.72 | 27.42 | 11.59 | |
| LSV Asset Management | 11.38 | 11.38 | 30.47 | | | |
| William Blair & Company | 11.49 | 11.49 | 31.80 | | | |
| Julius Baer Investment Mgt. | 13.26 | 13.26 | 33.04 | | | |

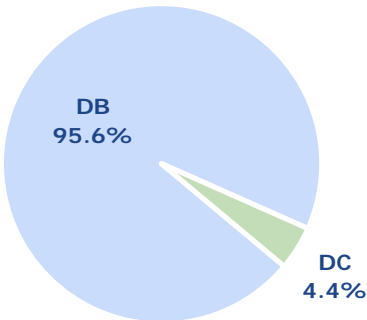
Emerging Markets

| | | | | | | |
|------------------------------|-------|-------|-------|-------|-------|--|
| Capital International, Inc. | 16.33 | 16.33 | 45.17 | 36.97 | | |
| F&C Emerging Markets Limited | 18.00 | 18.00 | 41.93 | 35.58 | 11.66 | |
| Grantham, Mayo, Van Otterloo | 18.27 | 18.27 | 51.63 | 44.10 | 21.98 | |

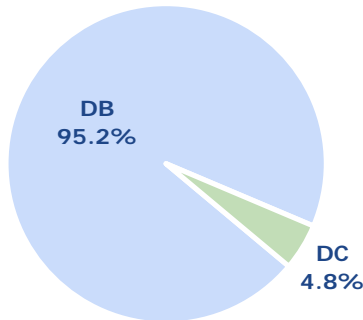
| | | | | | | |
|----------------------------------|--------------|--------------|--------------|--------------|-------------|-------------|
| Non-U.S. Equity Composite | 11.50 | 11.50 | 29.53 | 26.31 | 5.19 | 6.51 |
|----------------------------------|--------------|--------------|--------------|--------------|-------------|-------------|



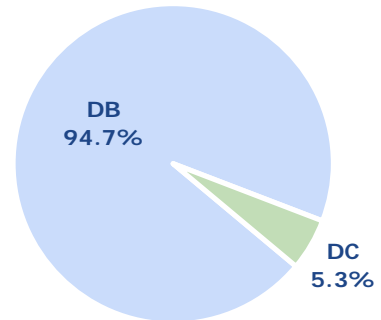
Defined Benefit and Defined Contribution Breakdown in the CTF



September 30, 2003

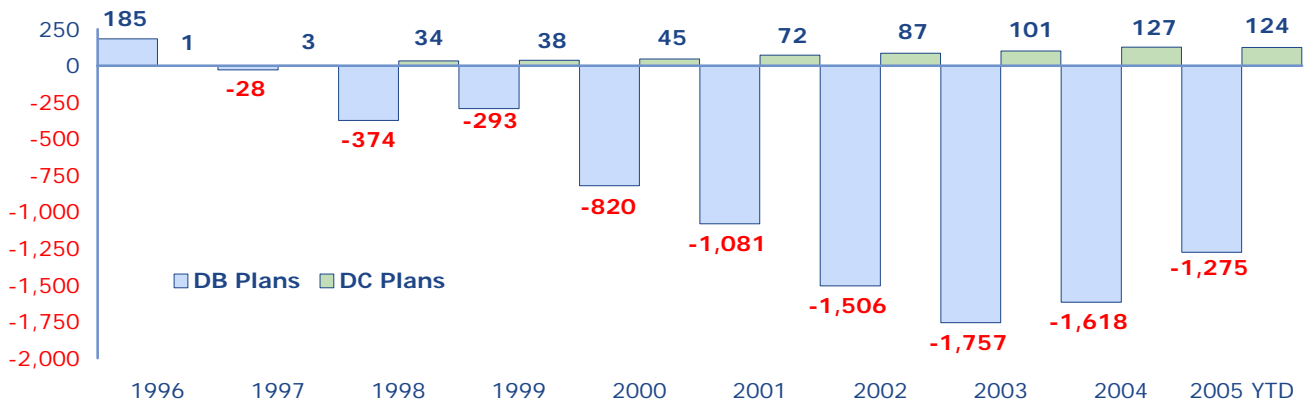


September 30, 2004

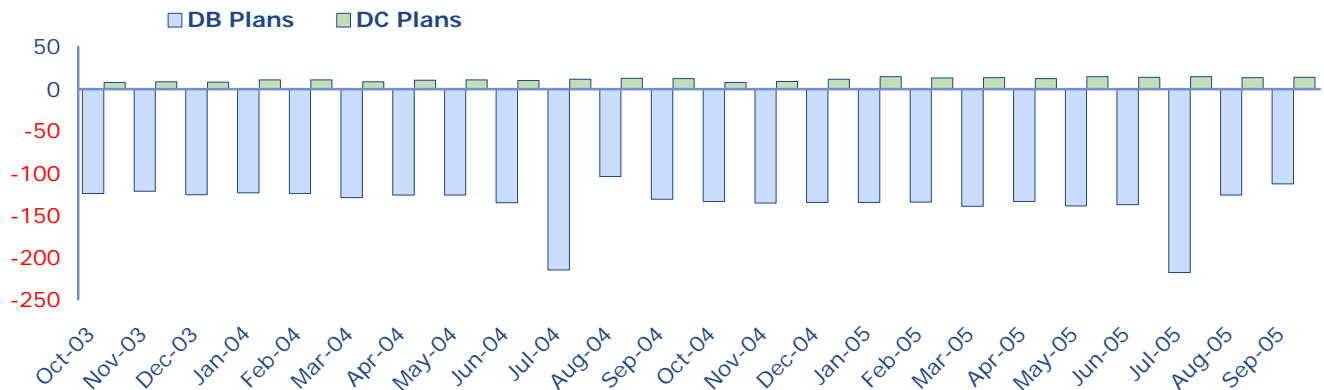


September 30, 2005

Yearly Cash Flow History*



Monthly Cash Flow History*



* Only includes new cash to/from the portfolio; does not include DB/DC transfers between Plan 2 and Plan 3 that stay inside the CTF. Numbers are historical and are not indicative of future transfers.

U.S. Equity

Barclays Global Investors (BGI)

It is the WSIB's current policy to manage 100 percent of the U.S. equity portfolio in a low-cost broad-based index fund. BGI manages the entire U.S. equity portfolio in a commingled fund designed to track the Dow Jones Wilshire 5000 Index, although it does not specifically replicate the index. The WSIB has been using the Dow Jones Wilshire 5000 Index fund since June 1998. However, BGI has been managing money in other funds for the WSIB since 1982.

Non-U.S. Equity

State Street Global Advisors (SSgA)

SSgA manages an optimized commingled index fund that is designed to passively track the MSCI EAFE plus Canada (developed markets). The WSIB has been using SSgA's MSCI EAFE plus Canada fund since 1994. In 2001, the WSIB switched to the new Provisional EAFE plus Canada fund as a result of pending changes to the MSCI indices. MSCI has since finished their restructuring and the WSIB has transferred back to the EAFE plus Canada fund.

Barclays Global Investors (BGI)

BGI provides the WSIB with an international developed markets enhanced index equity commingled fund, the World ex-U.S. Alpha Tilts Strategy. This strategy is a bottom-up, style-neutral quantitative strategy designed to outperform the MSCI World ex-U.S. Index by 50 to 100 basis points net of fees on a rolling three year average, while incurring a low level of risk of 2 percent or less. BGI's Alpha Tilts investment philosophy holds that superior investment outcomes are most reliably reached through Total Performance Management, the management of return, risk, and cost. They believe that markets are not perfectly efficient and that misvaluations can be used to systematically add value over time. The WSIB has invested in the World ex-U.S. Alpha Tilts Strategy since June 2004.

Goldman Sachs Asset Management (GSAM)

GSAM manages an international developed markets enhanced index equity portfolio for the WSIB. GSAM believes that the markets are not entirely efficient, and that the combination of traditional fundamental analysis and quantitative modeling can add value from diversified sources of return such as country, currency selection, and individual stock selections. They expect to outperform the MSCI World ex-U.S. Index by 75 basis points net of fees on a rolling three year average, while incurring a low level of risk of 2 percent or less. GSAM has been managing the enhanced index portfolio for the WSIB since June 2004.



Arrowstreet Capital, L.P

Arrowstreet actively manages an international developed markets equity “core” portfolio for the WSIB. Arrowstreet believes it can profit by employing a disciplined quantitative process that exploits behavioral and informational opportunities. Behavioral opportunities are created by the systematic “mistakes” made by investors, including the tendency for investors to overreact, herd, and avoid regret. Informational opportunities are derived from investors not fully exploiting, on a timely basis, information that is relevant to prices. Criteria used to exploit these opportunities include measures of value, momentum, and earnings revisions. The investment team continually monitors the contribution from each of these factors and adapts the process to incorporate new investment insights as markets evolve. The WSIB portfolio has been managed by Arrowstreet since June 2004.

Capital Guardian Trust Company

Capital actively manages an international developed markets equity “core” portfolio for the WSIB. Capital uses a bottom-up, value driven approach to investing in international developed markets equity. The firm conducts extensive fundamental research and uses a system of multiple managers to manage individual segments of the portfolios. Each manager is free to make their decisions as to individual security, country and industry selection, timing, and percentage to be invested for their portion of the assets. The WSIB portfolio has been managed by Capital since June 2004.

Fidelity Management Trust Company (FMTC)

Fidelity actively manages an international developed markets equity “core” portfolio for the WSIB. FMTC uses a bottom-up approach to investing. The firm’s process is rooted in its in-house fundamental research that covers 80-90 percent of the MSCI EAFE + Canada benchmark and does not pre-screen for size, style, or other characteristics. The WSIB portfolio has been managed by FMTC since June 2004.

LSV Asset Management

LSV actively manages an international developed markets equity “value” portfolio for the WSIB. The fundamental premise on which their investment philosophy is based is that superior long-term results can be achieved by systematically exploiting the judgmental biases and behavioral weaknesses that influence the decisions of many investors. The strategy’s primary emphasis is the use of quantitative techniques to select individual securities in what would be considered a bottom-up approach. A risk control discipline limits the over- or under-exposure of the portfolio to industry concentrations. Value factors and security selection dominate sector/industry factors in driving performance. The WSIB portfolio has been managed by LSV since August 2004.

Mondrian Investment Partners Limited (formerly Delaware)

Mondrian actively manages an international developed markets equity “value” portfolio for the WSIB. They identify value investments using a dividend discount-valuation model of future income streams. The investment analysis is applied consistently to individual securities across all markets and industries. Tied to the security selection is a top-down country allocation overlay that helps structure the portfolio. The WSIB portfolio has been managed by Mondrian since June 1999.

Julius Baer Investment Management (JBIM)

JBIM actively manages an international developed markets equity “growth” portfolio for the WSIB. JBIM believes that an approach driven by dynamic, fundamentally driven competitive analysis is the key to delivering consistent risk-adjusted long-term performance. The international equity team’s research process is primarily based on fundamental assessment of companies, sectors, and macroeconomic influences on regions and countries. Country allocations are a result of the security selection process. The WSIB portfolio has been managed by JBIM since June 2004.

William Blair & Company (WB)

WB actively manages an international developed markets equity “growth” portfolio for the WSIB. WB focuses on companies with above-average growth prospects, where growth can be sustained through leading or franchise positions in terms of proprietary products, marketing dominance, or cost/asset base advantage. The WSIB portfolio has been managed by WB since June 2004.



Capital International, Inc.

Capital manages an active emerging markets equity portfolio for the WSIB. Capital utilizes a Multiple Portfolio Manager System that enables several key decision makers to work on each account by dividing the portfolio into smaller segments. Each manager is free to make their decisions as to individual security, country and industry selection, timing, and percentage to be invested for their portion of the assets. The aggregate portfolio does not have a formal policy regarding asset and country diversification and tends to have a value bias. The WSIB has been invested in Capital's Emerging Markets Growth Fund since the middle of the second quarter of 2001.

F&C Emerging Markets Limited

F&C manages an active emerging markets equity portfolio for the WSIB. The country selection process analyzes market valuation, as well as economic, fiscal, and monetary factors to create 12-month market return forecasts for each country. The return forecasts are used in conjunction with political stability analysis to set country allocations, which are divided between the ten largest core markets (85 percent) and satellite markets (15 percent). Bottom-up fundamental analysis is used to identify companies possessing the following characteristics: strategic position in their respective industry, management quality and integrity, and a sound financial position. The WSIB has been invested in F&C's Emerging Market Commingled Trust since the fourth quarter of 1996.

Grantham, Mayo, Van Otterloo (GMO)

GMO manages an active emerging markets portfolio for the WSIB. GMO uses a quantitative investment process. Top-down country allocation is based on market valuations, macroeconomic fundamentals, relative performance, stock valuation, and subjective judgment. The stock selection process utilizes a model that is customized for each country and incorporates three factors: value, neglect, and momentum. GMO seeks to invest in cheap countries, sectors, and stocks so its portfolios generally exhibit P/E ratios below those of the index benchmarks. The WSIB has been invested in GMO's Emerging Market Strategy Fund since the fourth quarter of 1996.

Asset Allocation Policy

The targets will adjust annually toward the long-term asset allocation policy, which is 31 percent U.S. equity, 15 percent non-U.S. equity, 25 percent fixed income, 17 percent private equity, and 12 percent real estate. The interim target for 2004 is 31 percent U.S. equity, 15 percent non-U.S. equity, 26 percent fixed income, 17 percent private equity, and 11 percent real estate.

CTF (Commingled Trust Fund)

The investment trust fund that pools the assets of most of the Washington State retirement funds to permit more efficient management and to reduce administrative costs. The retirement accounts included in the CTF are: PERS 1, 2 & 3; TRS 1, 2 & 3; LEOFF 1 & 2; SERS 2 & 3; WSPRS 1 & 2; and Volunteer Firefighters. Starting in July 2006 there will be a new fund, PSERS 2.

MAP (Multi-Asset Portfolio)

The MAP Portfolio is currently 60 percent Dow Jones Wilshire 5000 Index, 25 percent Lehman Universal Index, and 15 percent MSCI ACWI ex U.S. The percentages have changed as the portfolio was rebalanced to meet the target asset allocation policy. This portfolio is a 'passive' representation of the CTF.

Structural Asset Allocation Policy

The Structural Asset Allocation Policy is the previous quarter's ending asset class percentages times the following indices: Dow Jones Wilshire 5000 Index, Lehman Universal Index, MSCI ACWI ex U.S., NCREIF, and the actual private equity return. This is used to show the manager value added versus a passive structure.

TUCS Public Fund > \$1 Billion Median

Trust Universe Comparison Services median return of other public funds. There are currently 54 funds in the universe with a median asset size of slightly over \$13.8 billion.

TUCS Public/Corporate Fund > \$1 Billion Median

Trust Universe Comparison Services median return of corporate and public funds. There are currently 139 funds in the universe with a median asset size of approximately \$4.4 billion.



Defined Contribution Plans

Quarterly Report - September 30, 2005

Market Values and Distributions

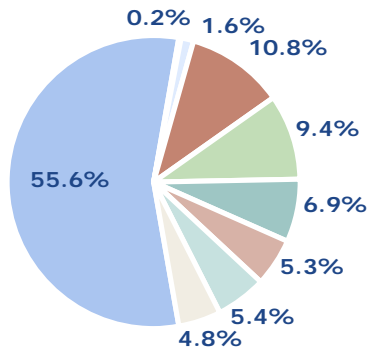
| | |
|-------------------|---|
| TRS Plan 3 | 1 |
| SERS Plan 3 | 2 |
| PERS Plan 3 | 3 |
| DCP | 4 |
| JRA | 5 |

Investment Performance

| | |
|--|---|
| Balanced, Bond, and Cash Options | 6 |
| Equity Options | 7 |



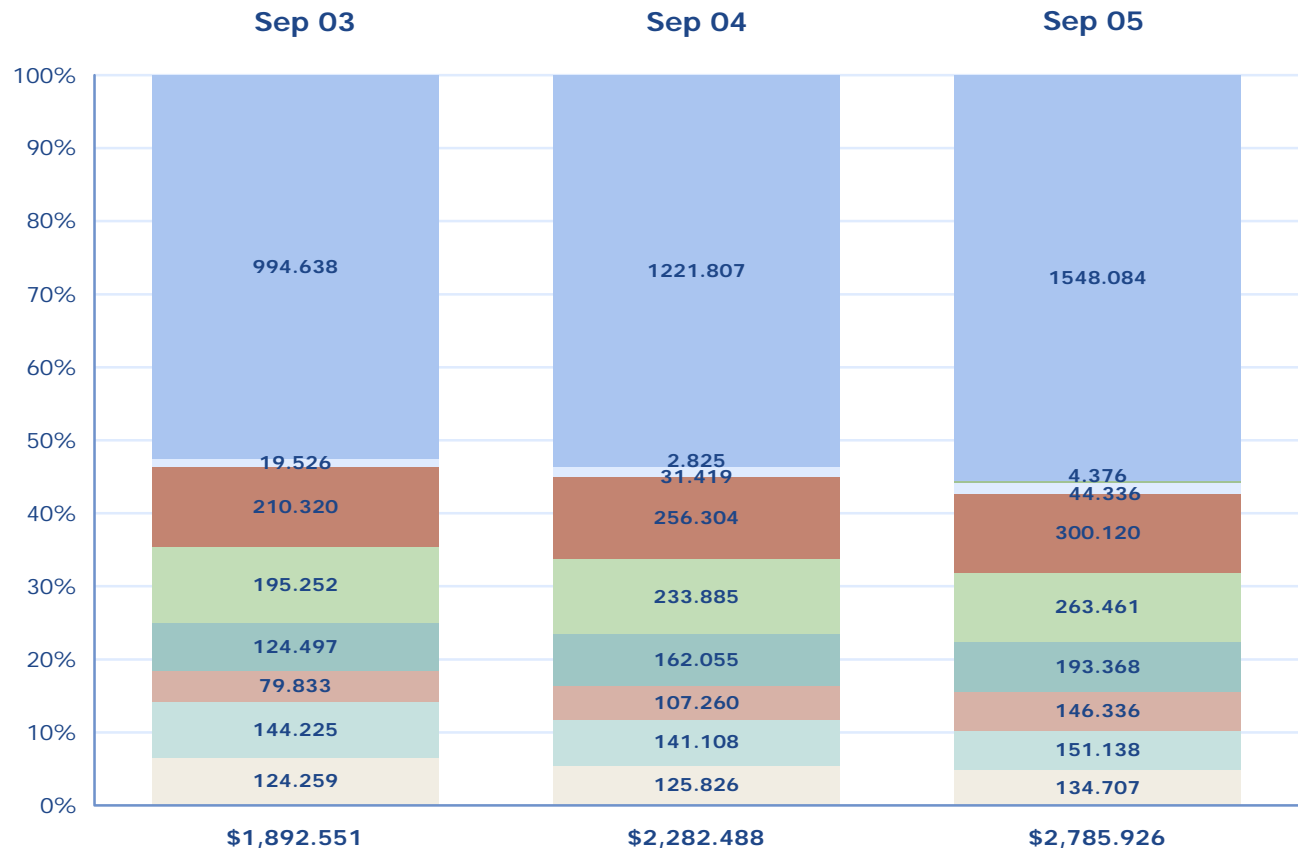
Market Values and Distributions



| Option | Market Value | Quarterly Change |
|--------------------------|-------------------------|-----------------------|
| WSIB TAP Fund | \$ 1,548,084,237 | \$ 101,805,111 |
| Social Balanced Fund | 4,375,586 | 266,417 |
| Short-Horizon Fund | 6,304,110 | 438,708 |
| Mid-Horizon Fund | 17,548,847 | 1,197,303 |
| Long-Horizon Fund | 20,482,570 | 1,992,697 |
| U.S. Stock Fund | 300,120,081 | 12,540,867 |
| U.S. Large Stock Fund | 263,461,325 | 7,070,220 |
| U.S. Small Stock Fund | 193,367,909 | 9,495,506 |
| International Index Fund | 146,336,478 | 15,173,069 |
| Bond Market Fund | 151,137,506 | 1,793,087 |
| Money Market Fund | 134,707,222 | 1,346,277 |
| Total Fund | \$ 2,785,925,871 | \$ 153,119,262 |

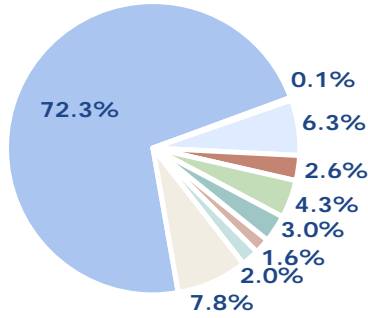
Historical Distributions

In Millions





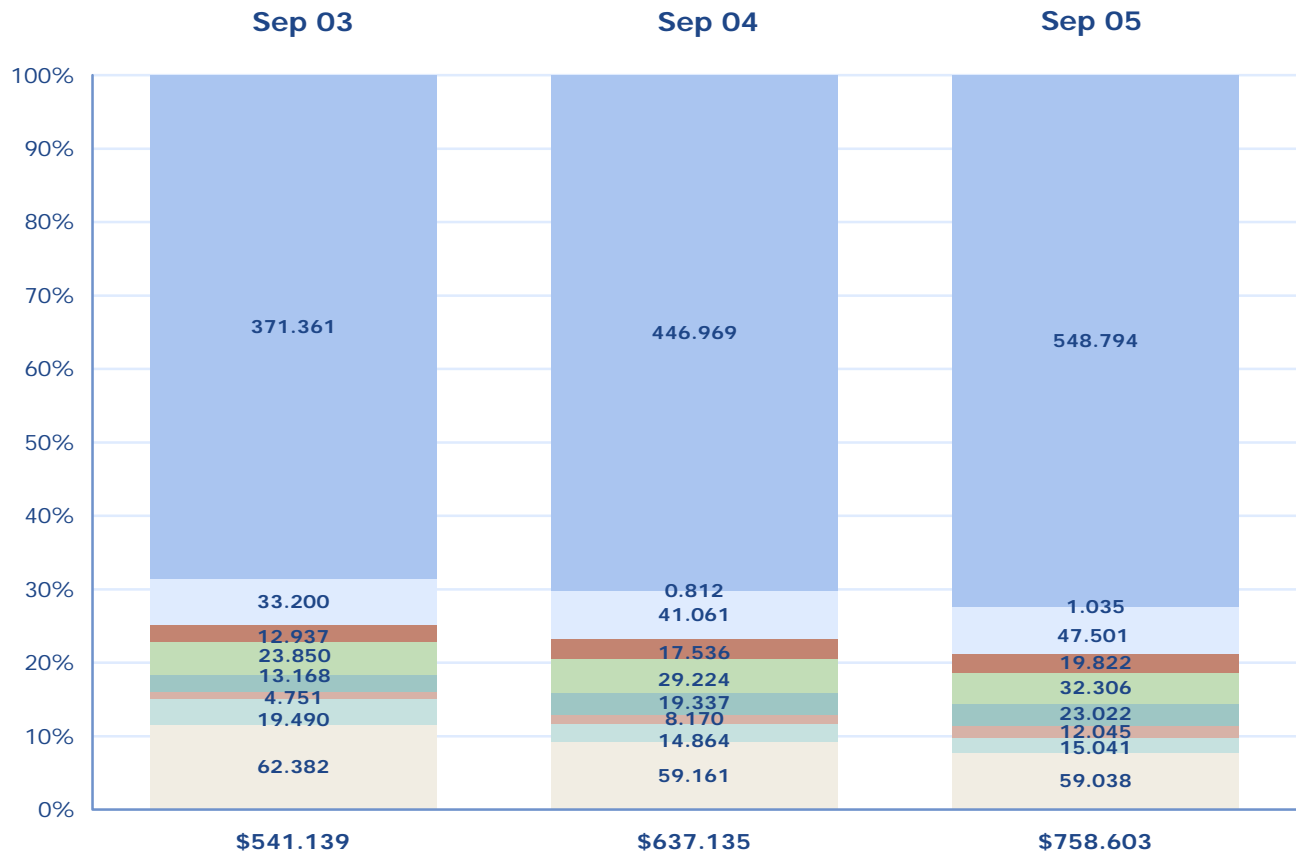
Market Values and Distributions



| Option | Market Value | Quarterly Change |
|--------------------------|-----------------------|----------------------|
| WSIB TAP Fund | \$ 548,794,070 | \$ 31,675,144 |
| Social Balanced Fund | 1,034,832 | (96,904) |
| Short-Horizon Fund | 5,829,347 | (45,860) |
| Mid-Horizon Fund | 22,601,292 | 931,457 |
| Long-Horizon Fund | 19,070,443 | 984,479 |
| U.S. Stock Fund | 19,821,778 | 947,432 |
| U.S. Large Stock Fund | 32,306,332 | 931,947 |
| U.S. Small Stock Fund | 23,021,641 | 1,567,813 |
| International Index Fund | 12,044,704 | 1,115,343 |
| Bond Market Fund | 15,040,732 | (218,084) |
| Money Market Fund | 59,038,110 | (220,584) |
| Total Fund | \$ 758,603,279 | \$ 37,572,184 |

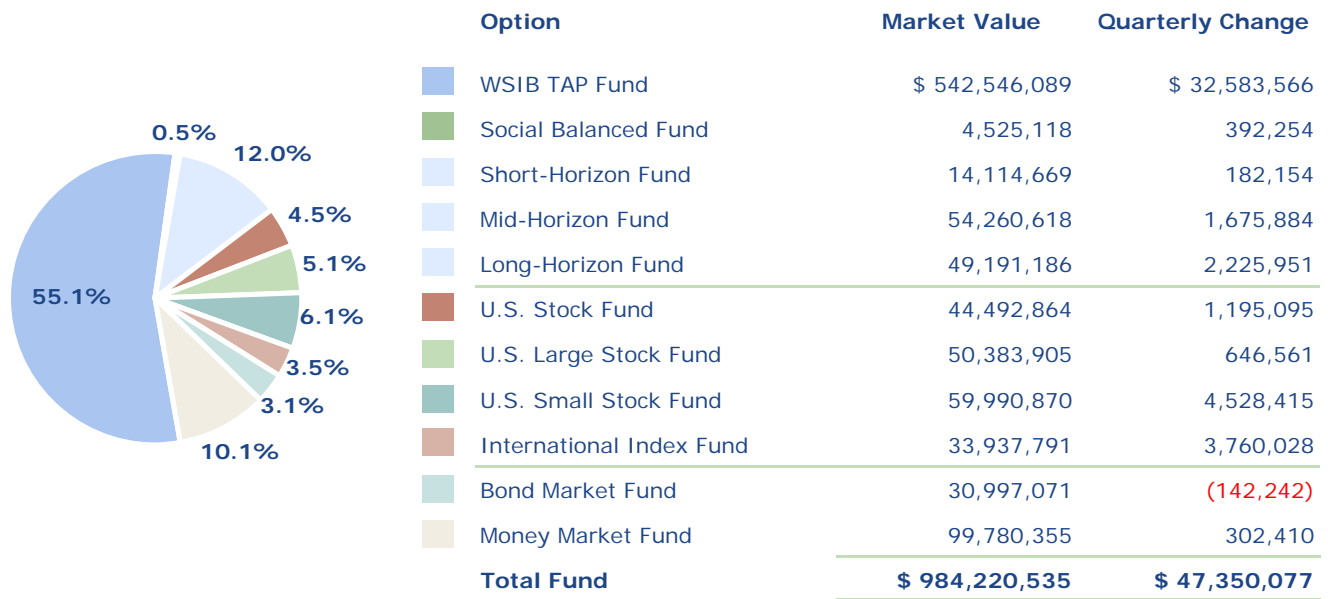
Historical Distributions

In Millions



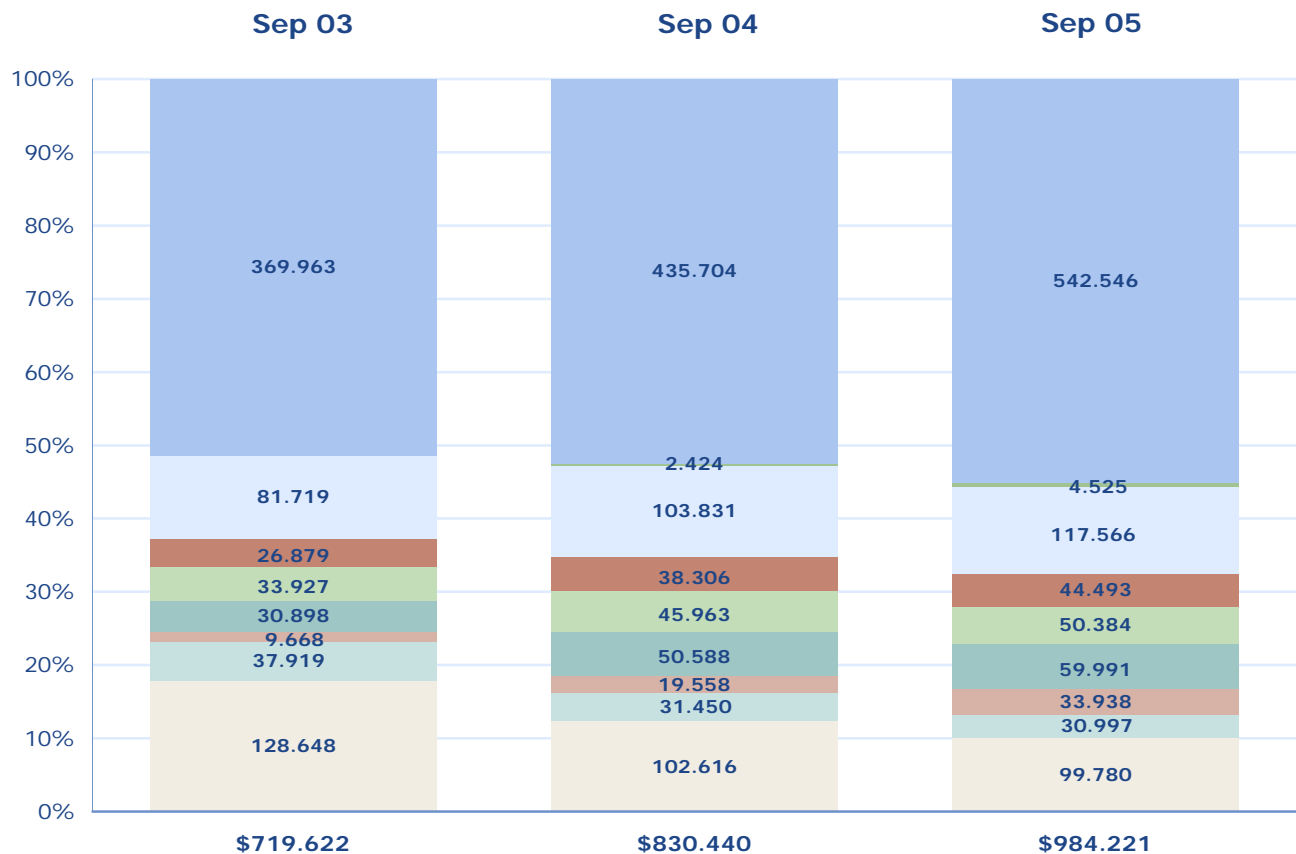


Market Values and Distributions



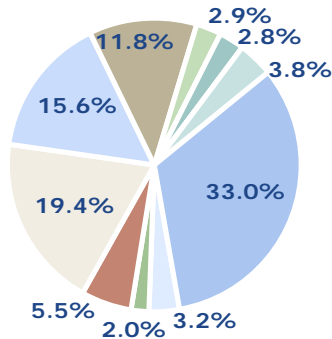
Historical Distributions

In Millions





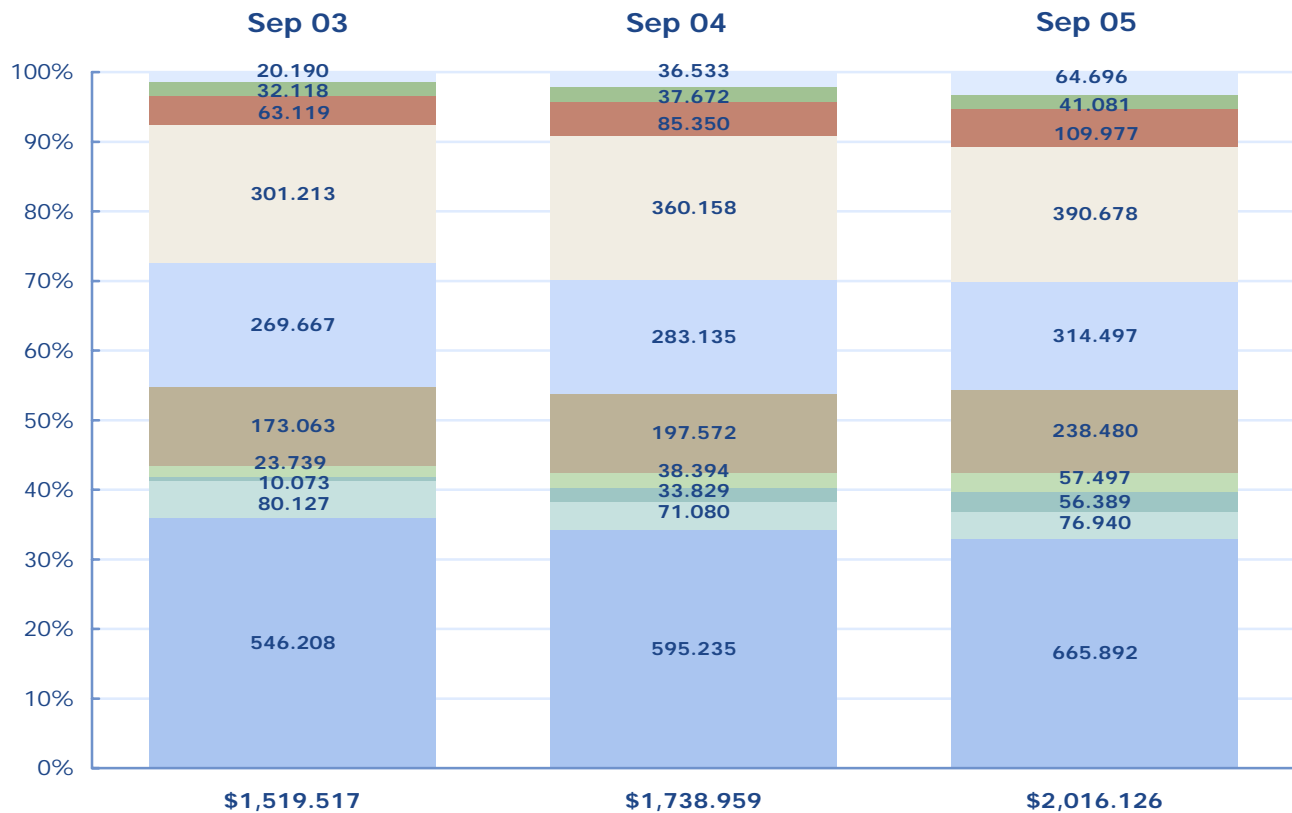
Market Values and Distributions



| Option | Market Value | Quarterly Change |
|--------------------------|-------------------------|----------------------|
| Short-Horizon Fund | \$ 12,163,575 | \$ 1,123,203 |
| Mid-Horizon Fund | 28,147,008 | 4,562,775 |
| Long-Horizon Fund | 24,385,761 | 3,524,102 |
| Social Balanced Fund | 41,080,626 | 314,899 |
| U.S. Stock Market Index | 109,976,745 | 8,008,540 |
| Equity-Income Fund | 390,677,700 | 5,526,042 |
| Independence Fund | 314,497,131 | 16,355,760 |
| Growth Company Fund | 238,480,137 | 19,862,417 |
| International Stock Fund | 57,496,505 | 5,550,463 |
| U.S. Small Stock Fund | 56,388,864 | 10,057,579 |
| Bond Market Fund | 76,940,053 | 2,339,203 |
| Savings Pool | 665,891,510 | 17,792,946 |
| Total Fund | \$ 2,016,125,616 | \$ 95,017,928 |

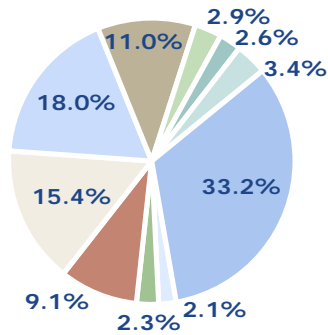
Historical Distributions

In Millions





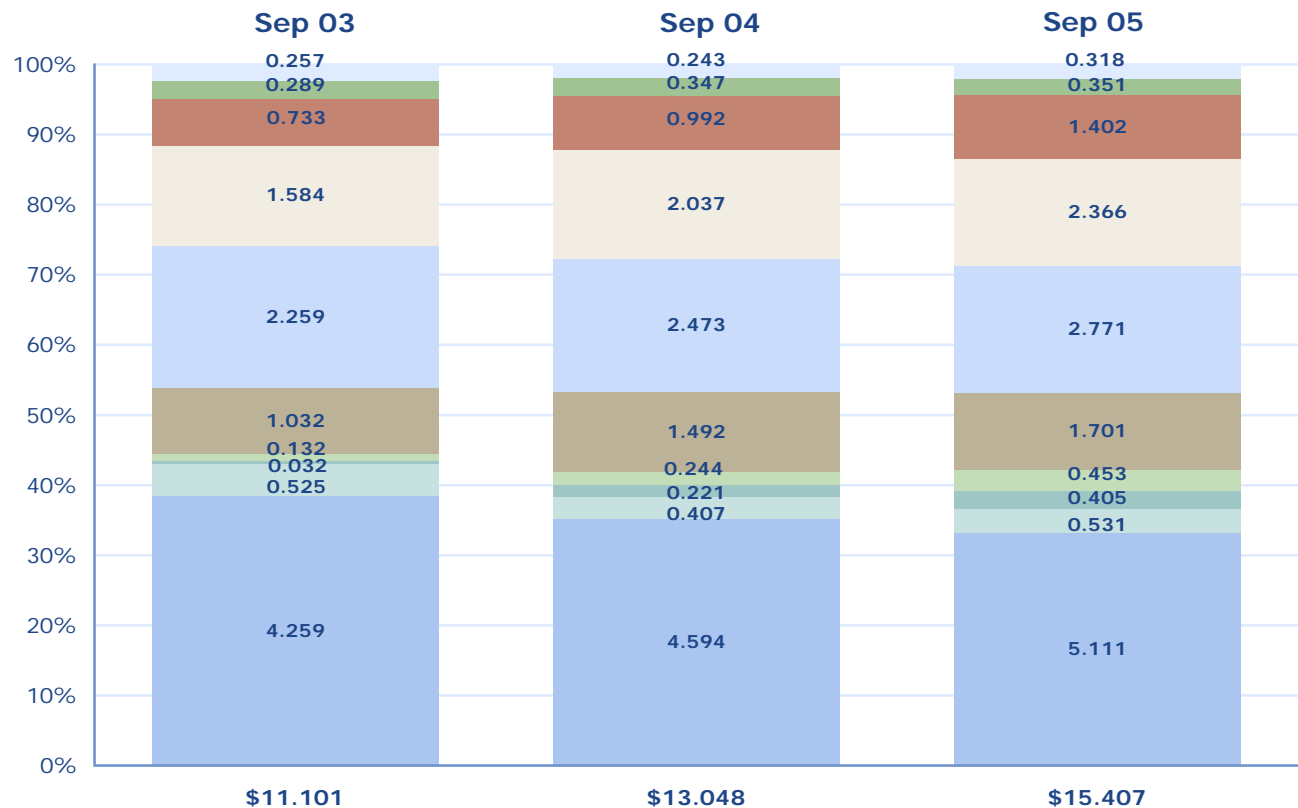
Market Values and Distributions



| Option | Market Value | Quarterly Change |
|--------------------------|----------------------|-------------------|
| Short-Horizon Fund | \$ 70,382 | \$ 4,236 |
| Mid-Horizon Fund | 165,782 | (41,238) |
| Long-Horizon Fund | 81,777 | 7,286 |
| Social Balanced Fund | 350,618 | (37,247) |
| U.S. Stock Market Index | 1,402,060 | 158,369 |
| Equity-Income Fund | 2,365,573 | 94,649 |
| Independence Fund | 2,770,909 | 155,021 |
| Growth Company Fund | 1,700,723 | 176,030 |
| International Stock Fund | 453,197 | 9,124 |
| U.S. Small Stock Fund | 404,587 | 185,827 |
| Bond Market Fund | 531,148 | 25,509 |
| Savings Pool | 5,110,544 | 155,493 |
| Total Fund | \$ 15,407,301 | \$ 893,060 |

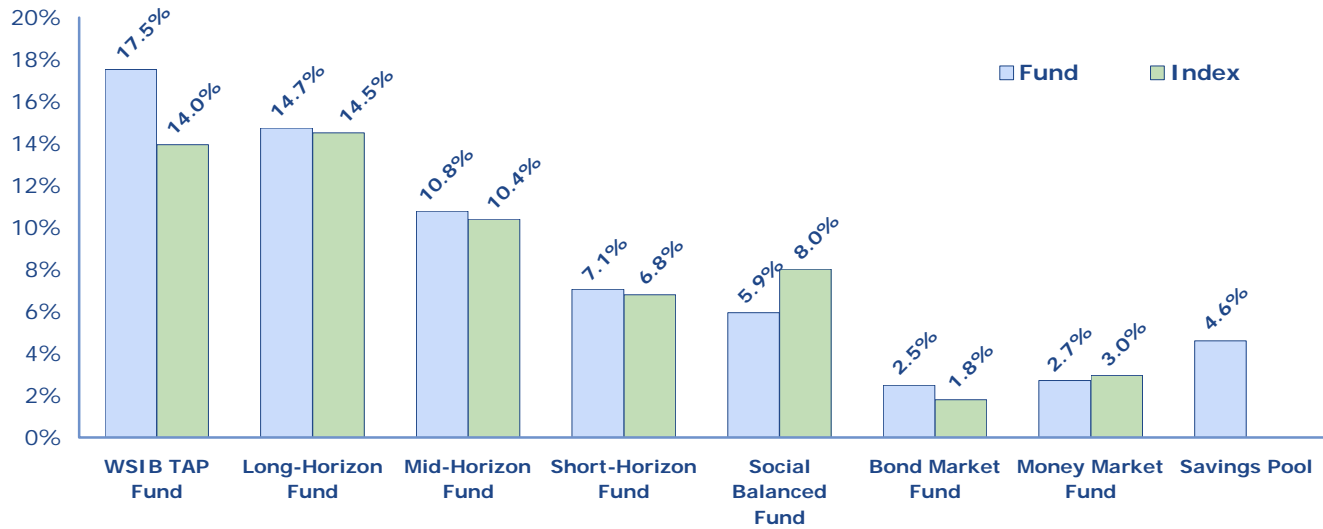
Historical Distributions

In Millions





One Year Returns



*Uses current managers' returns. Return shown is after manager and portfolio expenses but before the WSIB and record keeping fees.

Balanced Funds

| | Qtr. | 1 Year | 3 Year | 5 Year | 10 Year |
|-----------------------------|--------------|---------------|---------------|--------------|--------------|
| WSIB TAP Fund | 4.95% | 17.53% | 15.44% | 4.84% | 9.63% |
| Custom Benchmark | 4.06% | 13.95% | 16.35% | 2.53% | 8.27% |
| Long-Horizon Fund | 4.59% | 14.74% | 16.94% | 1.98% | N/A |
| Custom Benchmark | 4.50% | 14.51% | 17.29% | 2.26% | 8.47% |
| Mid-Horizon Fund | 3.10% | 10.78% | 12.95% | 3.74% | N/A |
| Custom Benchmark | 2.93% | 10.40% | 13.33% | 4.05% | 8.01% |
| Short-Horizon Fund | 1.92% | 7.06% | 8.31% | 4.18% | N/A |
| Custom Benchmark | 1.77% | 6.81% | 8.69% | 4.45% | 6.79% |
| Social Balanced Fund | 0.87% | 5.94% | N/A | N/A | N/A |
| Custom Benchmark | 1.69% | 8.02% | 11.01% | 2.46% | 8.51% |

Bond Funds

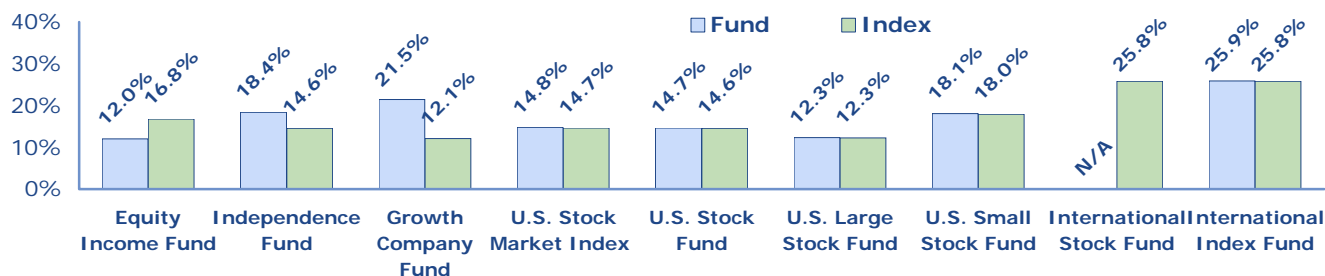
| | Qtr. | 1 Year | 3 Year | 5 Year | 10 Year |
|----------------------------|---------------|--------------|--------------|--------------|------------|
| Bond Market Fund | -0.18% | 2.48% | 4.51% | 6.69% | N/A |
| Lehman Intermediate Credit | -0.52% | 1.81% | 4.88% | 7.02% | 6.59% |

Cash Funds

| | Qtr. | 1 Year | 3 Year | 5 Year | 10 Year |
|--------------------------|--------------|--------------|--------------|--------------|--------------|
| Money Market Fund | 0.88% | 2.72% | 1.75% | 2.55% | 4.12% |
| One Month LIBOR | 0.92% | 2.95% | 1.85% | 2.54% | 4.19% |
| Savings Pool | 1.11% | 4.60% | 5.08% | 5.61% | 6.15% |



One Year Returns



*Uses current managers'/funds' returns and returns from other portfolios with same investment strategy but different fees to produce a ten-year history. Return shown is after manager and portfolio expenses but before the WSIB and record keeping fees and does not include any return attributed to rebates.

Active U.S. Equity

| | Qtr. | 1 Year | 3 Year | 5 Year | 10 Year |
|----------------------------|--------------|---------------|---------------|---------------|--------------|
| Equity Income Fund | 4.01% | 12.04% | 17.54% | 3.94% | 9.79% |
| Russell 3000 Value | 3.81% | 16.78% | 20.81% | 6.42% | 11.59% |
| Independence Fund | 7.91% | 18.42% | 17.56% | -4.48% | 9.29% |
| Russell 3000 | 4.01% | 14.57% | 18.13% | -0.72% | 9.54% |
| Growth Company Fund | 7.40% | 21.47% | 23.76% | -6.76% | 9.67% |
| Russell 3000 Growth | 4.21% | 12.13% | 15.35% | -8.20% | 6.62% |

Passive U.S. Equity

| | Qtr. | 1 Year | 3 Year | 5 Year | 10 Year |
|--------------------------------|--------------|---------------|---------------|---------------|--------------|
| U.S. Stock Market Index | 4.06% | 14.76% | 18.51% | -0.43% | 9.63% |
| Dow Jones Wilshire 5000 | 4.03% | 14.67% | 18.44% | -0.53% | 9.43% |
| U.S. Stock Fund | 4.06% | 14.65% | 18.13% | -0.70% | N/A |
| Russell 3000 | 4.01% | 14.57% | 18.13% | -0.72% | 9.54% |
| U.S. Large Stock Fund | 3.61% | 12.32% | 16.75% | -1.45% | N/A |
| S&P 500 | 3.61% | 12.25% | 16.72% | -1.49% | 9.49% |
| U.S. Small Stock Fund | 4.82% | 18.12% | 24.02% | 6.51% | N/A |
| Russell 2000 | 4.69% | 17.95% | 24.12% | 6.44% | 9.37% |

Active International

| | Qtr. | 1 Year | 3 Year | 5 Year | 10 Year |
|---------------------------------|---------------|------------|------------|------------|------------|
| International Stock Fund | 10.60% | N/A | N/A | N/A | N/A |
| MSCI EAFE | 10.38% | 25.79% | 24.61% | 3.16% | 5.83% |

Passive International

| | Qtr. | 1 Year | 3 Year | 5 Year | 10 Year |
|---------------------------------|---------------|---------------|---------------|--------------|------------|
| International Index Fund | 10.36% | 25.89% | 23.27% | 1.97% | N/A |
| MSCI EAFE | 10.38% | 25.79% | 24.61% | 3.16% | 5.83% |



Daily Priced Investment Options

Quarterly Report - September 30, 2005

| | |
|---------------------|---|
| Savings Pool | 1 |
| Bond Fund | 2 |
| Horizon Funds | 3 |

Size \$ 670,153,790

Characteristics

Average Maturity

2.2 Years

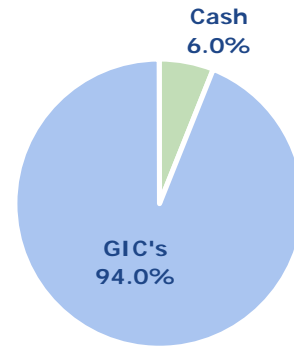
Average Yield

4.54%

Number of Holdings

33

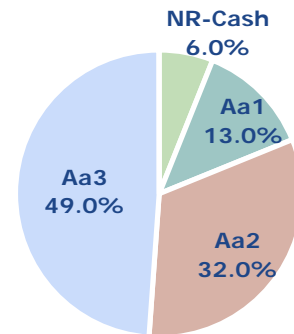
Composition Distribution



Top Ten GIC Issuers

| | |
|--------------------------------------|--------|
| Metropolitan Life Insurance Co. | 21.42% |
| New York Life Insurance Corp. | 12.99% |
| John Hancock Life Insurance Co. | 11.97% |
| ING USA Annuity & Life Insurance Co. | 11.44% |
| Monumental Life Insurance Co. | 10.16% |
| Hartford Life Insurance Co. | 9.85% |
| Principal Life Insurance Co. | 7.00% |
| Pacific Life Insurance Co. | 4.60% |
| GE Life and Annuity Assurance | 2.91% |
| Allstate Life Insurance Co. | 1.68% |

Rating Distribution



Return

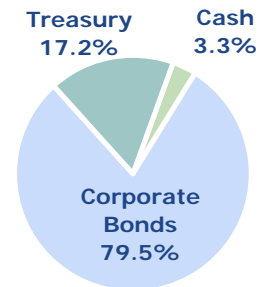


Size \$ 372,494,280

Characteristics

| | Fund | Index |
|--------------------|-----------|-----------|
| Average Maturity | 4.8 years | 5.0 years |
| Yield to Maturity | 4.65% | 4.95% |
| Modified Duration | 3.92 | 4.15 |
| Average Coupon | 4.56% | 5.59% |
| Number of Holdings | 132 | 2157 |

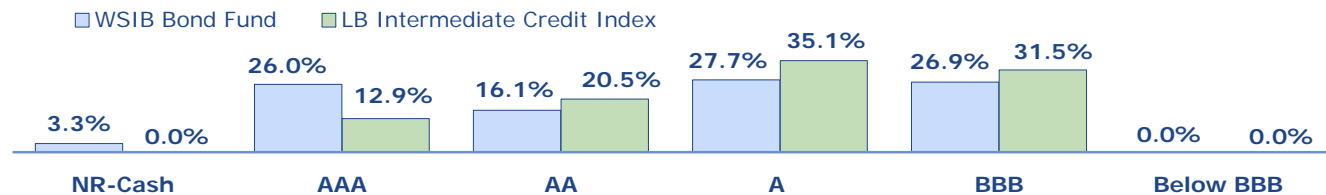
Asset Class Distribution



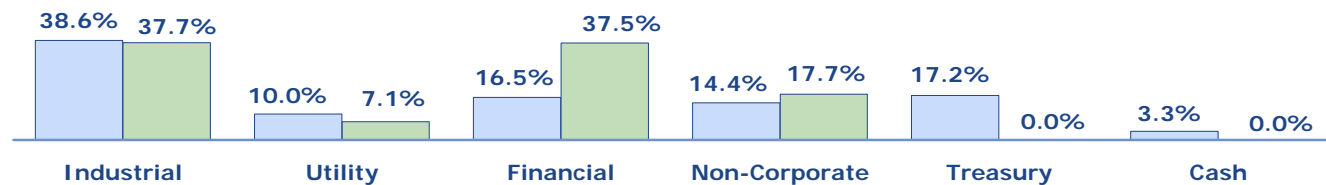
Top Ten Credit Issuers

| | | | |
|-------------------------------------|-------|--|-------|
| Quebec, Province of | 1.63% | Burlington Northern Santa Fe Corporation | 0.91% |
| Manitoba, Province of | 1.09% | NiSource Finance Corporation | 0.88% |
| Norfolk Southern Corporation | 0.95% | Northern Trust Company | 0.87% |
| Santander Central Hispano Issuances | 0.91% | Ontario, Province of | 0.84% |
| British Sky Broadcasting Group Plc | 0.91% | Baker Hughes Incorporated | 0.84% |

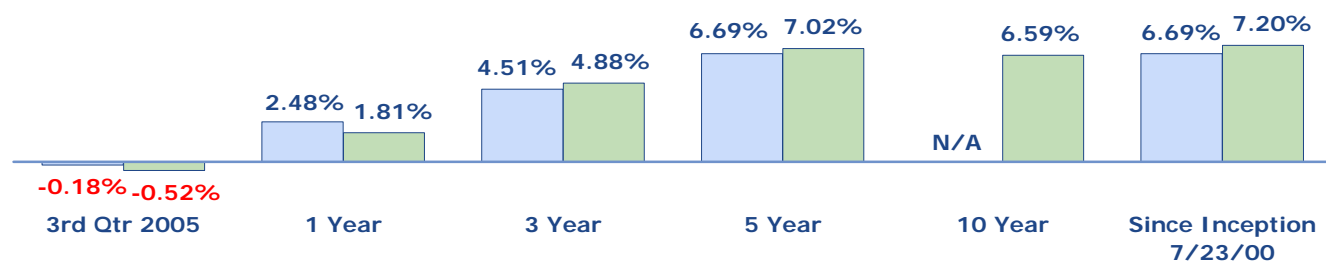
Rating Distribution



Industry Distribution



Return

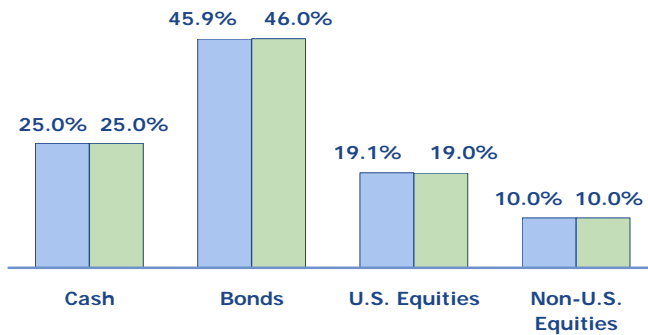
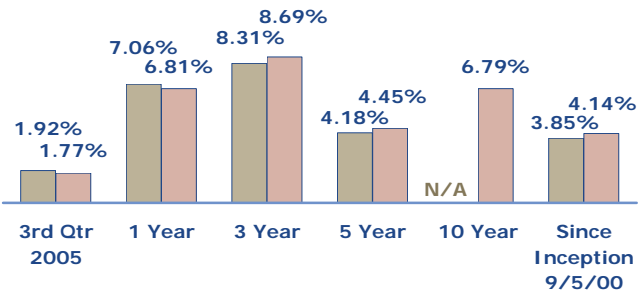
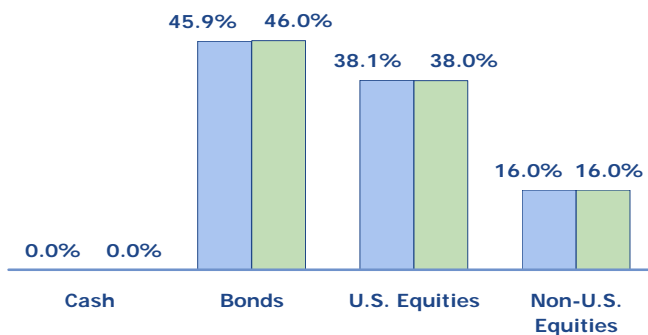
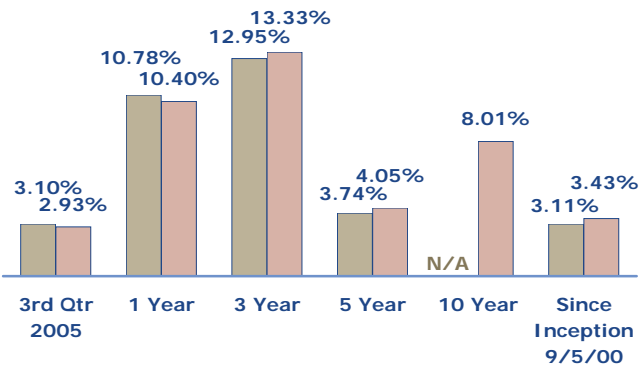
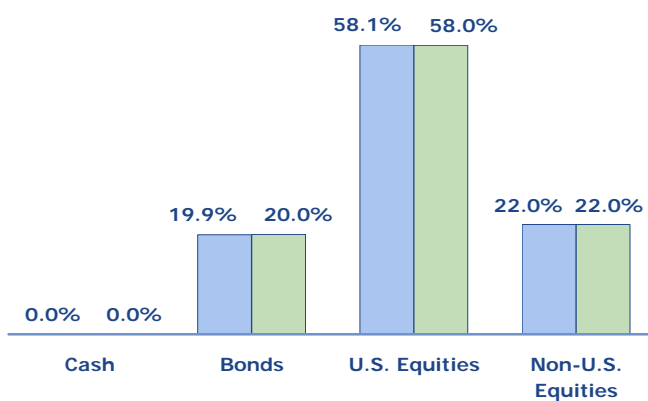
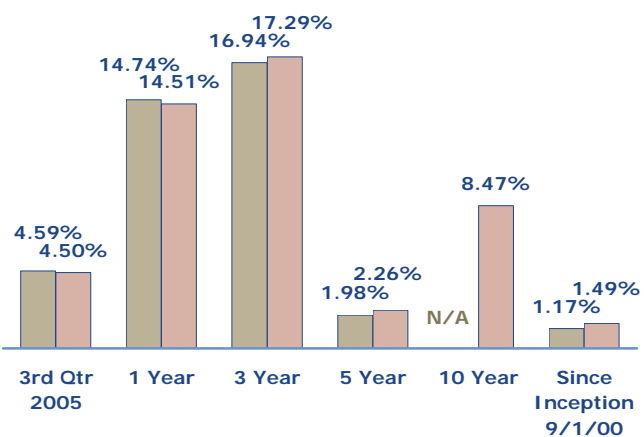


 Horizon Fund

 Target

 Horizon Fund

 Benchmark

Short-Horizon \$ 38,460,705
Asset Allocation

Return

Mid-Horizon \$ 122,501,849
Asset Allocation

Return

Long-Horizon \$ 113,062,406
Asset Allocation

Return




Labor and Industries' Funds

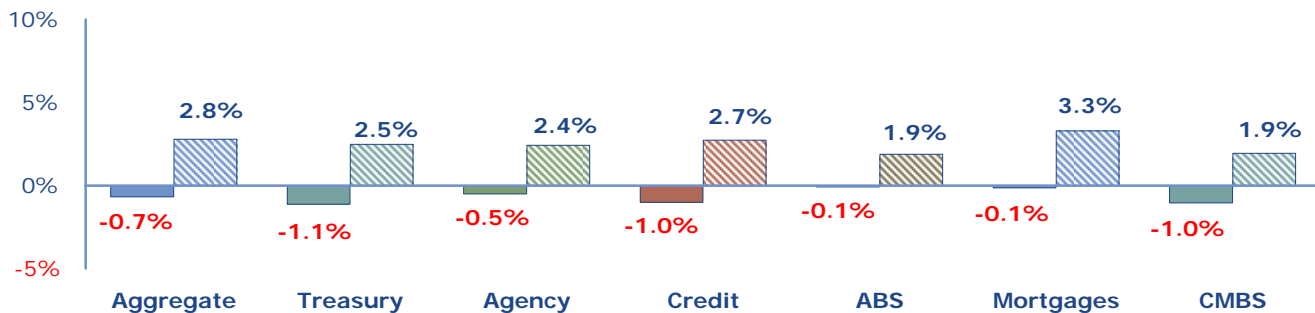
Quarterly Report - September 30, 2005

| | |
|--|---|
| Capital Markets | 1 |
| Market Values and Asset Allocation | 2 |
| Performance and Durations Versus CMI | 3 |

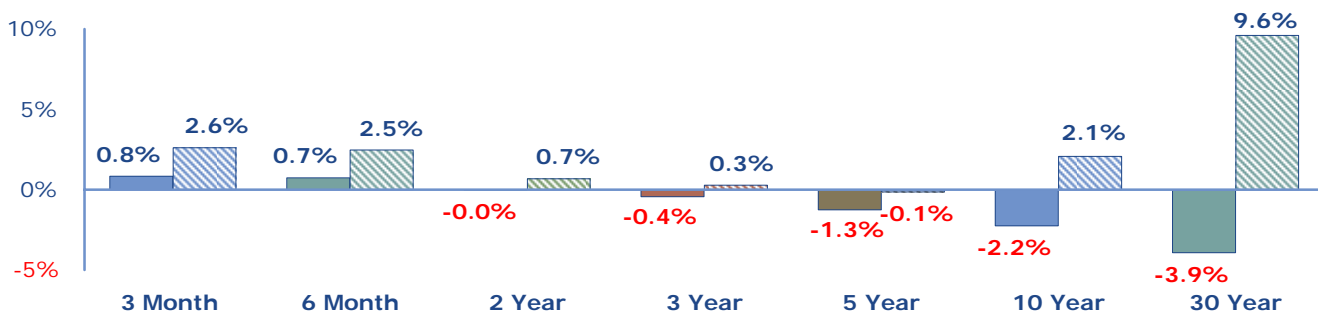


One Quarter Performance - solid bars
One Year Performance - patterned bars

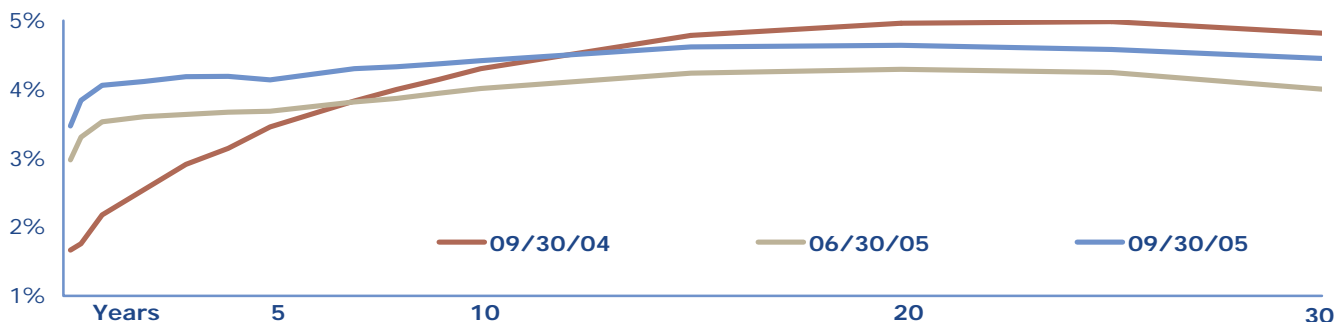
Asset Class Returns (using Lehman Brothers indices)



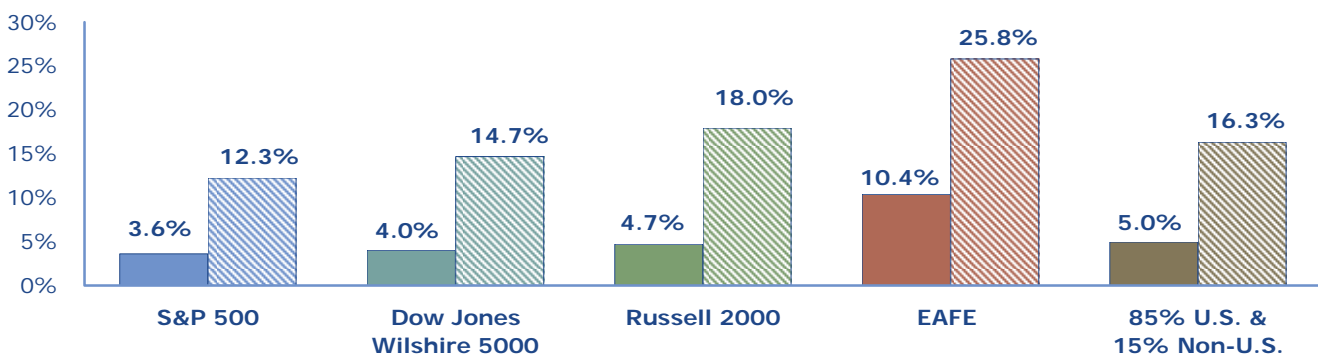
Treasury Return by Maturity



Yield Curve Using Treasury Strips

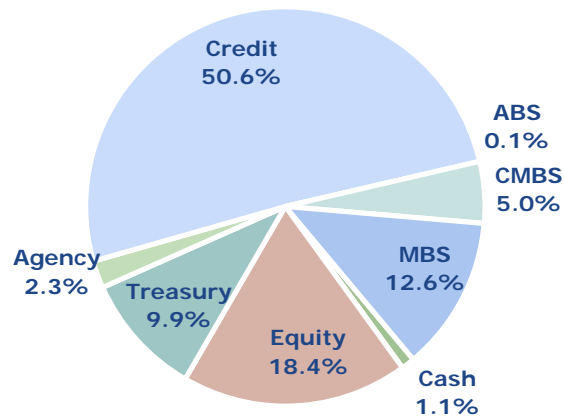


Equity Returns





Total Labor and Industries' Funds
\$ 10,293,012,925



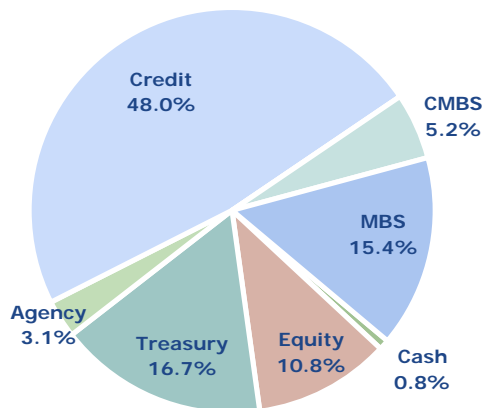
WSIB Policy Ranges for Equity

| | Target | Range |
|------------------|--------|---------|
| Accident Fund | 10% | 8-12% |
| Medical Aid Fund | 30% | 24- 36% |
| Pension Reserve | 10% | 8-12% |

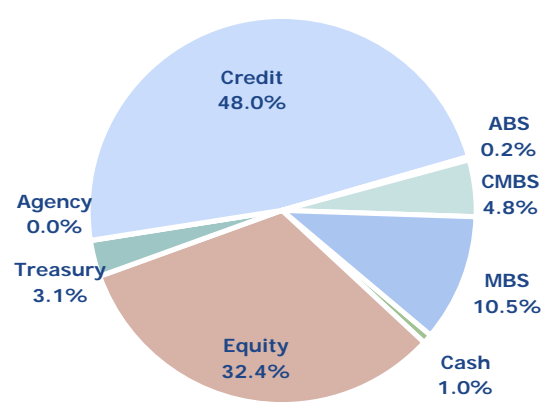
WSIB Policy Ranges for Fixed Income

| | Range |
|--|--------|
| U.S. Treasuries and Agencies | 5-25% |
| Credit Securities | 20-70% |
| Mortgage-Backed Securities (MBS) | 0-25% |
| Asset-Backed Securities (ABS) | 0-10% |
| Commercial Mortgage-Backed Securities (CMBS) | 0-10% |

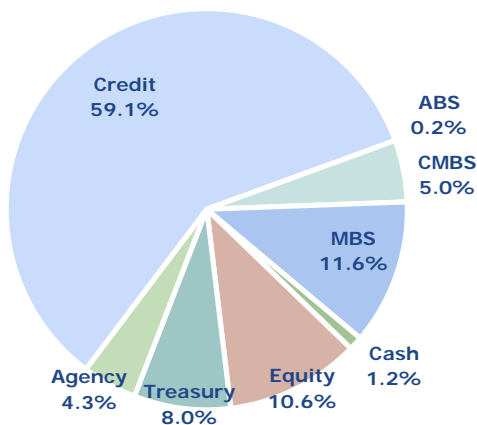
Accident Fund \$ 3,990,195,944



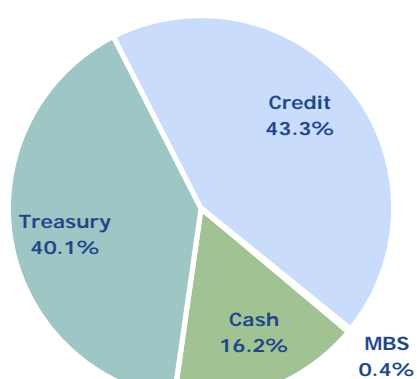
Medical Aid Fund \$ 3,731,293,033



Pension Reserve \$ 2,472,217,800

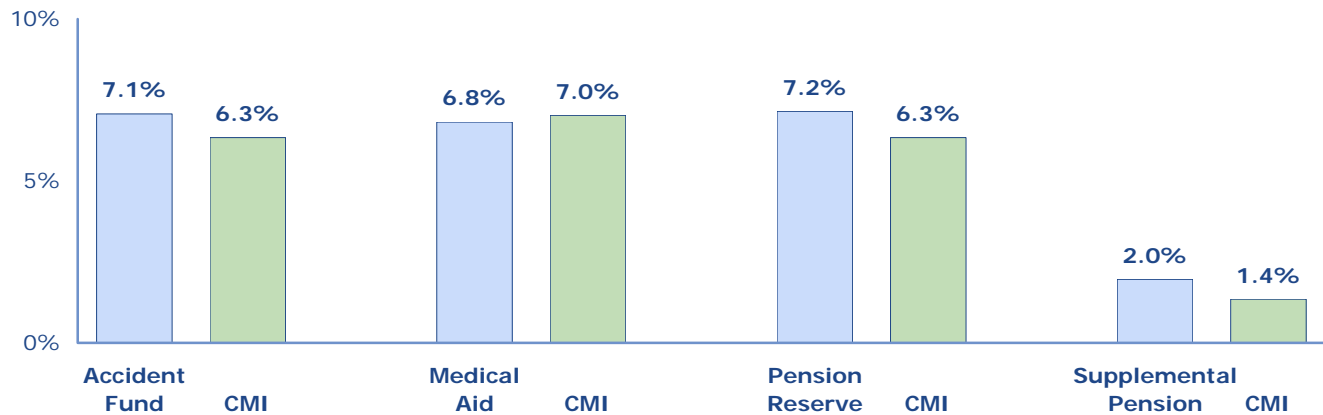


Supplemental Pension \$ 99,306,148





One Year Performance



Total Return

| | Qtr. | 1 Year | 3 Year | 5 Year | 10 Year |
|-----------------------------|---------------|--------------|--------------|--------------|--------------|
| Accident Fund | -0.98% | 7.07% | 7.82% | 7.85% | 7.58% |
| CMI | -1.36% | 6.34% | 8.79% | 7.91% | 7.44% |
| Medical Aid | 0.89% | 6.82% | 7.67% | 5.54% | 7.39% |
| CMI | 0.66% | 7.03% | 8.80% | 5.91% | 7.46% |
| Pension Reserve | -0.97% | 7.15% | 6.74% | 9.40% | 8.46% |
| CMI | -1.36% | 6.34% | 7.37% | 9.26% | 8.15% |
| Supplemental Pension | 0.21% | 1.96% | 1.95% | 4.02% | 5.02% |
| Supplemental Ex-Cash | 0.09% | 1.57% | 2.74% | 5.12% | 5.56% |
| CMI | 0.14% | 1.35% | 3.23% | 5.41% | 5.70% |

Labor and Industries' Statutory Accounting Return *

| | Qtr. | 1 Year | 3 Year | 5 Year |
|----------------------|-------|--------|--------|--------|
| Accident Fund | 2.10% | 8.22% | 9.29% | 6.44% |
| Medical Aid | 2.57% | 9.05% | 9.70% | 5.17% |
| Pension Reserve | 2.06% | 8.19% | 8.20% | 7.66% |
| Supplemental Pension | 0.91% | 3.32% | 3.43% | 3.83% |

Duration

| | CMI | Target | Actual | % Difference |
|----------------------|------|-----------|--------|--------------|
| Accident Fund | 9.16 | 9.00 | 8.79 | -2.38% |
| Medical Aid | 5.99 | 6.00 | 5.83 | -2.76% |
| Pension Reserve | 9.16 | 9.00 | 8.85 | -1.69% |
| Supplemental Pension | 1.92 | 1.75-2.25 | 2.02 | N/A |

* Uses net income, realized and unrealized gains and losses on equity securities, and realized gains and losses on fixed income in the numerator. The denominator uses book value for fixed income securities and market value for equities. Below investment grade fixed income securities are carried at the lower of book or market value.



Permanent and Other Trust Funds

Quarterly Report - September 30, 2005

Permanent Funds

| | |
|--|---|
| Market Values and Asset Allocation | 1 |
| Interest Income, Performance, and Duration | 2 |

Other Trust Funds

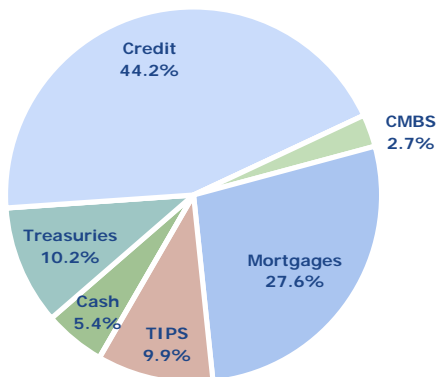
| | |
|--|---|
| Market Values, Performance, and Asset Allocation | 3 |
| GET – Advanced College Tuition Payment Program | 4 |
| DDEF – Developmental Disability Endowment Fund | 5 |



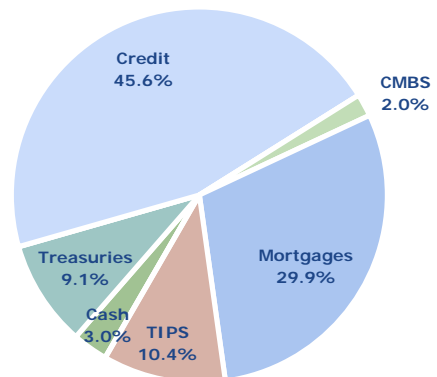
Permanent Funds - Market Values and Asset Allocation

Quarter Ended September 30, 2005

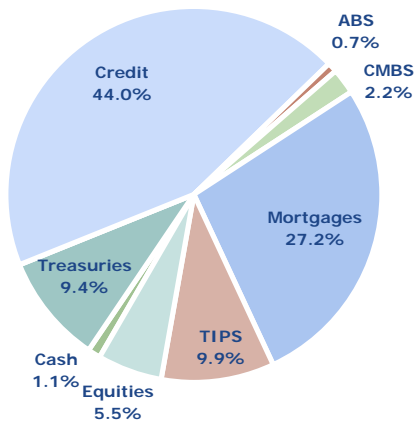
Agricultural Fund \$153,952,194



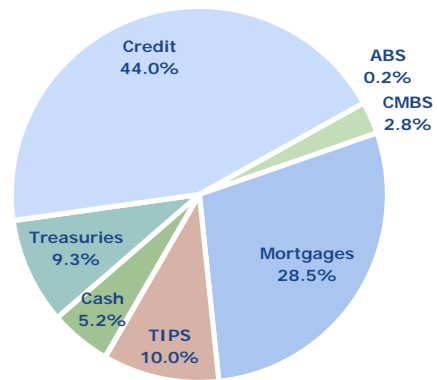
Normal School Fund \$ 211,749,541



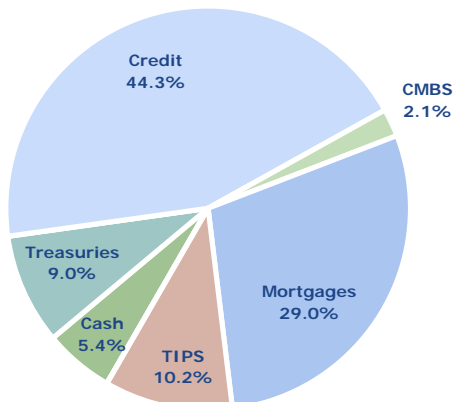
Common School Fund \$170,436,020



Scientific Permanent Fund \$168,652,033



State University Fund \$25,772,615



Millersylvania State Park Fund \$ 5,166

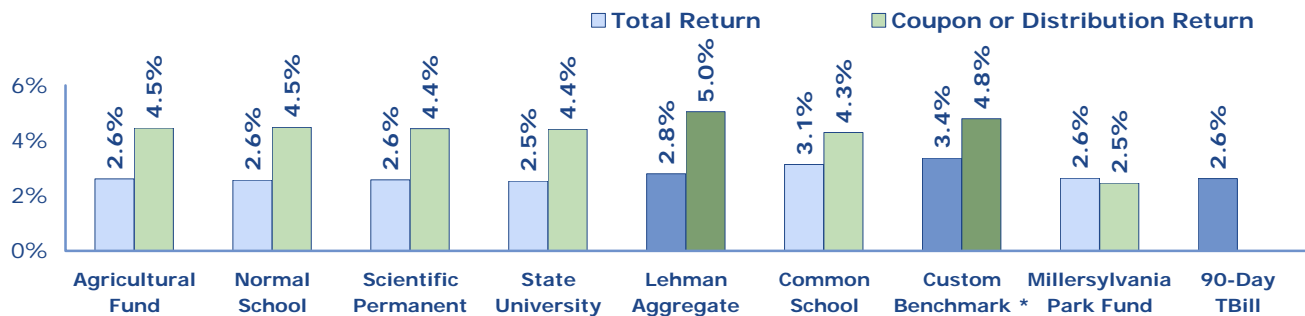
Assets of this fund are invested in a short-term investment fund (STIF).

WSIB Fixed Income Policy Ranges per Fund:

| | |
|--|--------|
| U.S. Treasuries and Agencies | 10-50% |
| Investment Grade Credits | 10-50% |
| Mortgage-Backed Securities | 5-40% |
| Asset-Backed Securities (ABS) | 0-10% |
| Commercial Mortgage-Backed Securities (CMBS) | 0-10% |



One Year



Balance

| | Sep 05 | Sep 04 | Sep 00 |
|--------------------------|----------------|----------------|----------------|
| Agricultural Fund | \$ 153,952,194 | \$ 152,116,610 | \$ 117,743,216 |
| Normal School | \$ 211,749,541 | \$ 212,843,599 | \$ 186,704,782 |
| Scientific Permanent | \$ 168,652,033 | \$ 165,916,888 | \$ 140,667,936 |
| State University | \$ 25,772,615 | \$ 25,266,630 | \$ 21,650,785 |
| Common School | \$ 170,436,020 | \$ 171,923,819 | \$ 153,241,108 |
| Millersylvania Park Fund | \$ 5,166 | \$ 5,157 | \$ 5,179 |

Returns

| | Total Return | | | | | Distribution Return | | | |
|--------------------------|--------------|--------|--------|--------|---------|---------------------|--------|--------|--------|
| | Qtr. | 1 Year | 3 Year | 5 Year | 10 Year | Qtr. | 1 Year | 3 Year | 5 Year |
| Agricultural Fund | -0.47% | 2.61% | 3.39% | 6.54% | 6.48% | 1.11% | 4.46% | 4.88% | 5.64% |
| Normal School | -0.48% | 2.56% | 3.30% | 6.66% | 6.53% | 1.11% | 4.48% | 4.82% | 5.55% |
| Scientific Permanent | -0.45% | 2.57% | 3.43% | 6.76% | 6.50% | 1.06% | 4.43% | 4.90% | 5.68% |
| State University | -0.45% | 2.53% | 3.32% | 6.80% | 6.60% | 1.09% | 4.42% | 4.78% | 5.55% |
| Lehman Aggregate | -0.67% | 2.80% | 3.96% | 6.62% | 6.55% | | | | |
| Common School | -0.26% | 3.13% | 3.92% | 6.65% | 6.46% | 1.06% | 4.29% | 4.62% | 5.36% |
| Custom Benchmark * | -0.43% | 3.37% | 4.53% | 6.54% | 6.50% | | | | |
| Millersylvania Park Fund | 0.85% | 2.63% | 1.64% | 2.40% | 3.98% | 0.80% | 2.46% | 1.59% | 2.45% |
| 90 Day TBill | 0.83% | 2.62% | 1.68% | 2.49% | 3.94% | | | | |

Fixed Income Duration

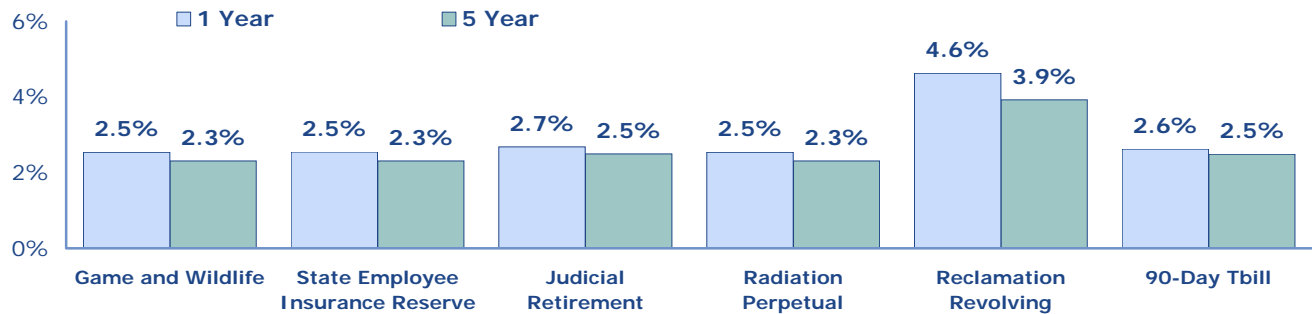
| | Duration of Fund | Duration of Benchmark | Difference | % Difference |
|--------------------------|------------------|-----------------------|------------|--------------|
| Agricultural Fund | 4.45 | 4.44 | 0.01 | 0.24% |
| Normal School | 4.50 | 4.44 | 0.06 | 1.27% |
| Scientific Permanent | 4.36 | 4.44 | -0.09 | -1.95% |
| State University | 4.39 | 4.44 | -0.05 | -1.20% |
| Common School | 4.55 | 4.44 | 0.11 | 2.39% |
| Millersylvania Park Fund | 0.10 | 0.25 | N/A | N/A |

* The custom benchmark for the Common School Fund is a combination of the Lehman Aggregate and Dow Jones Wilshire 5000 using the previous month-end weights adjusted for new purchases during the current month. For September 2005, the breakdown was 5.5% Dow Jones Wilshire 5000 and 94.5% Lehman Aggregate.

** Includes coupon income and amortization minus expenses and deferred losses based on book value.



One Year and Five Year Return



Total Return

| | Qtr. | 1 Year | 3 Year | 5 Year | 10 Year |
|----------------------------------|-------|--------|--------|--------|---------|
| Game and Wildlife | 0.83% | 2.54% | 1.55% | 2.31% | 4.09% |
| State Employee Insurance Reserve | 0.83% | 2.54% | 1.55% | 2.31% | 3.94% |
| Judicial Retirement | 0.87% | 2.68% | 1.67% | 2.50% | 4.07% |
| Radiation Perpetual | 0.83% | 2.54% | 1.55% | 2.31% | 3.94% |
| Reclamation Revolving | 1.16% | 4.63% | 3.49% | 3.93% | 4.89% |
| 90-Day Tbill | 0.83% | 2.62% | 1.68% | 2.49% | 3.94% |

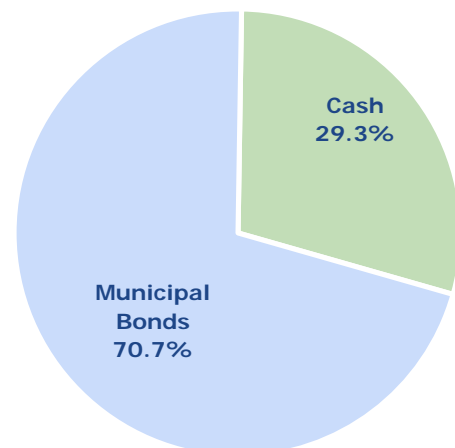
Market Value

| | Sep 05 | Sep 04 | Sep 00 |
|----------------------------------|---------------|---------------|---------------|
| Game and Wildlife | \$ 9,145,675 | \$ 9,903,639 | \$ 10,905,343 |
| State Employee Insurance Reserve | \$ 77,138,225 | \$ 48,139,923 | \$ 32,906,458 |
| Judicial Retirement | \$ 1,320,129 | \$ 3,953,743 | \$ 9,351,742 |
| Radiation Perpetual | \$ 289,190 | \$ 282,020 | \$ 847,001 |
| Reclamation Revolving | \$ 365,912 | \$ 349,721 | \$ 980,243 |

Portfolio Allocations

The Game and Wildlife Fund, State Employee Insurance Reserve Fund, Judicial Retirement Fund, and Radiation Perpetual Fund are fully invested in short-term investment funds (STIF).

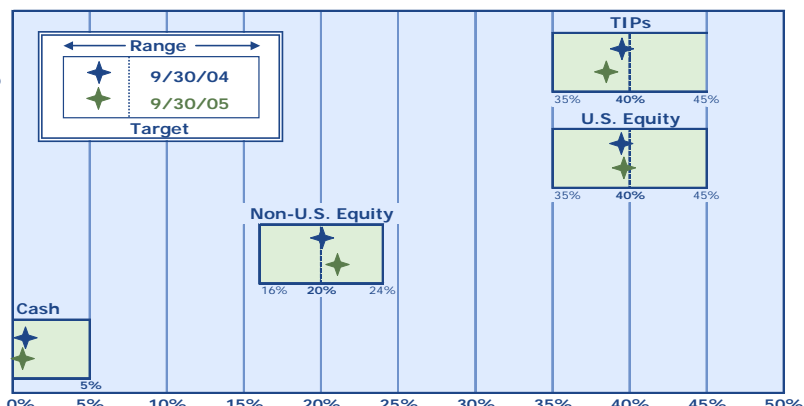
The Reclamation Revolving Fund (shown to the right) is invested in municipal bonds and STIF.



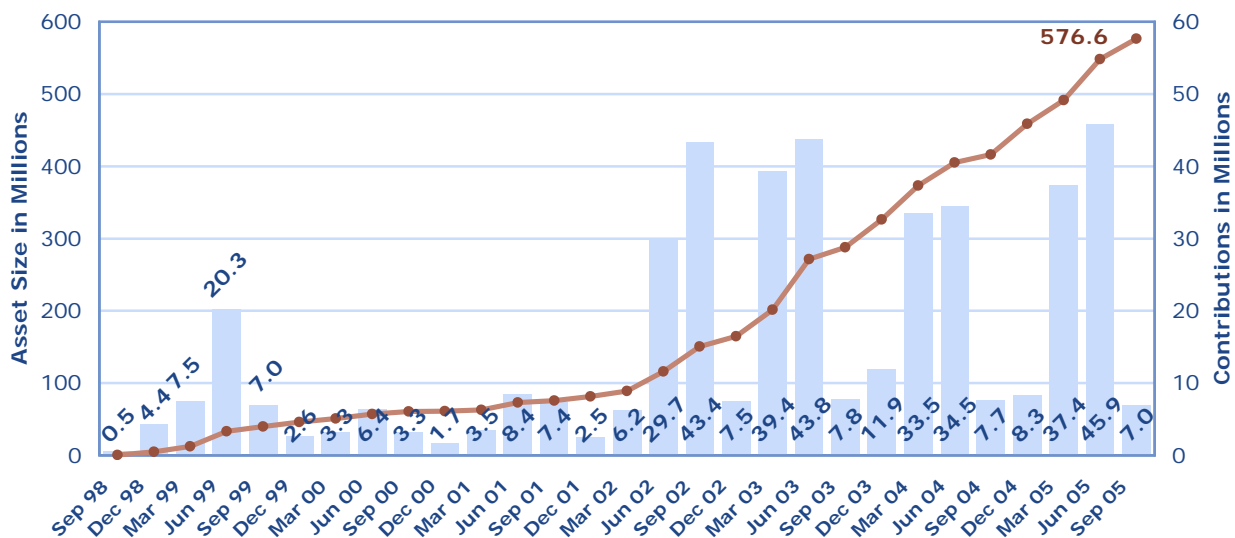


Portfolio Size and Allocation

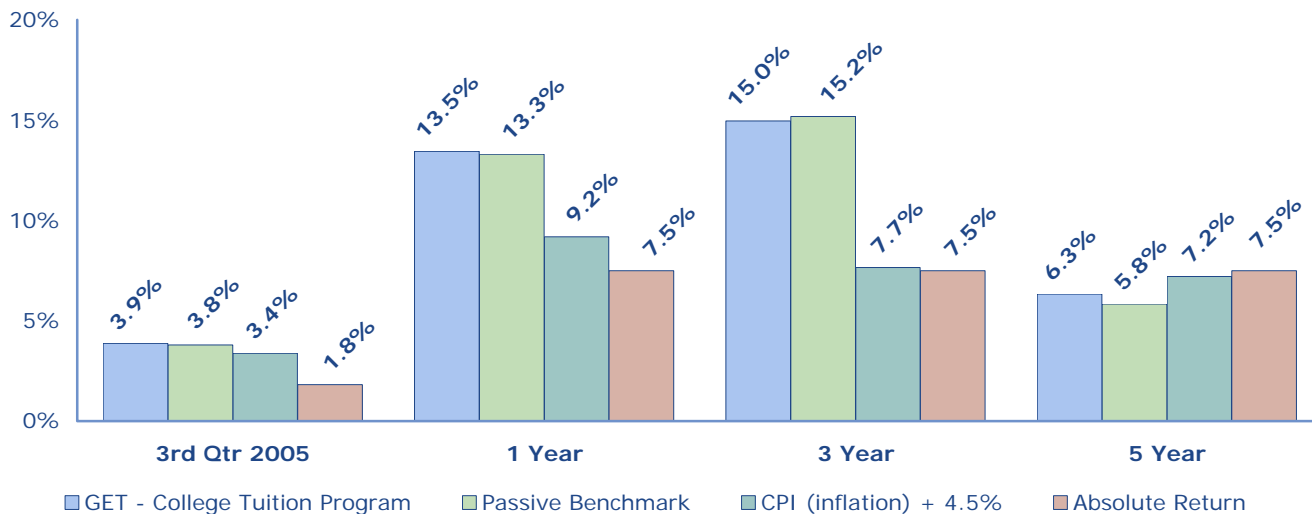
| | |
|--------------------------------------|----------------------|
| Total | \$576,619,892 |
| Cash | 4,842,576 |
| Treasury Inflation Index Note (TIPs) | 221,439,787 |
| U.S. Equity | 228,949,937 |
| Non-U.S. Equity | 121,387,593 |



Assets Under Management



Total Return





DDEF - State Funds

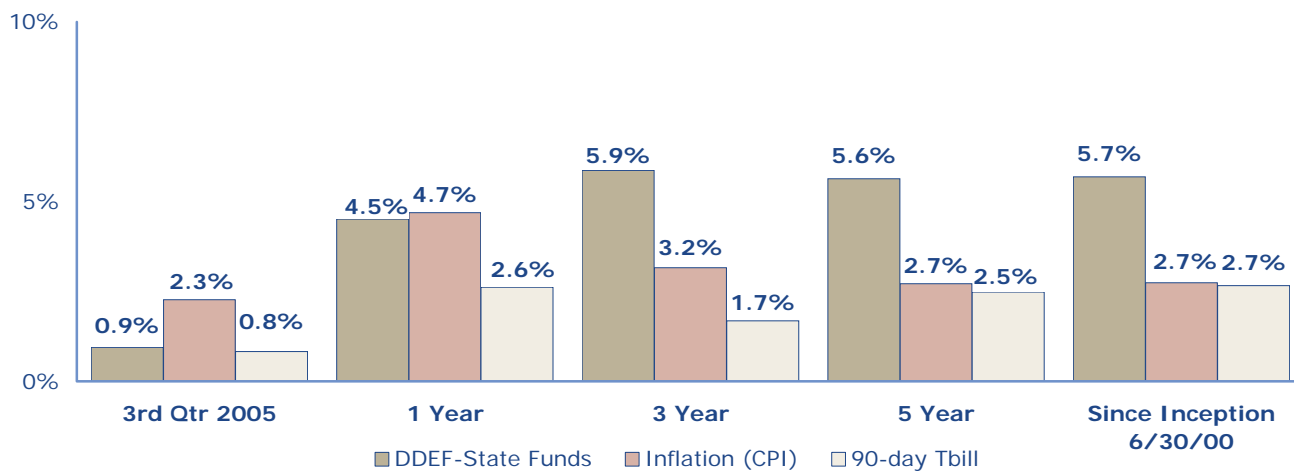
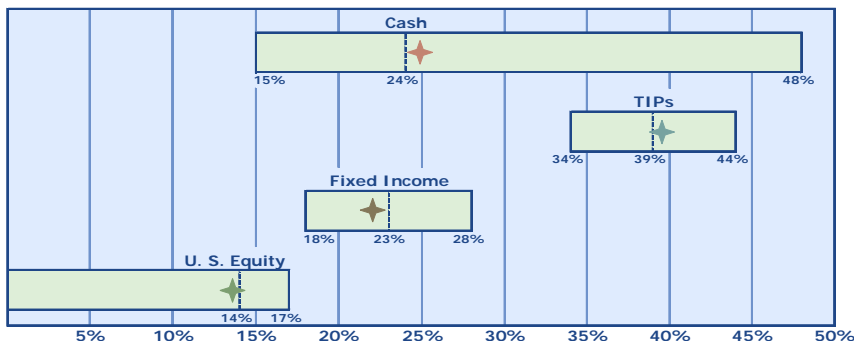
Total **\$6,931,777**

Cash 1,724,085

Treasury Inflation Index
Note (TIPs) 2,737,908

Fixed Income 1,528,604

U.S. Equity 941,179



DDEF - Private Funds

Total **\$3,863,096**

Cash 147,549

Balanced Fund 3,715,548

